

The Global Newspaper Edited and Published in Paris

Herald Tribune

Published With The New York Times and The Washington Post

No. 32,433 23/87

LONDON, THURSDAY, JUNE 4, 1987

ESTABLISHED 1887

Iraq Asserts Stark Was in War Zone

WASHINGTON — The Iraqi government, in a statement that conflicts with the U.S. version of the attack on the frigate Stark, told U.S. officials the ship was accidentally attacked because it was inside a war zone in the Gulf, Pentagon sources said Wednesday.

U.S. Sees Danger To NATO

Weinberger, In U.K., Cites 'Threat Within'

By Howell Raines New York Times Service LONDON — Defense Secretary Caspar W. Weinberger warned Wednesday that the North Atlantic Treaty Organization faced "threats from within" and called for strengthening the alliance to offset the "military and political power of the Soviet Union."



Tamils taken prisoner by the Sri Lanka Army were held under guard Tuesday in Jaffna.

Indian Flotilla Is Turned Back By Sri Lanka

COLOMBO, Sri Lanka — An Indian relief flotilla that was heading for the Jaffna Peninsula in northern Sri Lanka has turned back after being confronted by Sri Lanka Navy vessels, a government spokesman said Wednesday night.

Kiosk Paris Resumes Terrorism Trial

PARIS (UPI) — The trial of three suspected members of the leftist French terrorist group Direct Action resumed under heavy security Wednesday, six months after it was stopped when one of the defendants threatened the jurors with "proletarian justice."

Segovia Is Dead at 94

Andrés Segovia, master of the classical guitar, left an imprint on music. Page 6.

Change and Continuity at the Fed

Pragmatic Greenspan Arrives With Faith in Free Market



Andrés Segovia, master of the classical guitar, left an imprint on music. Page 6.

NEWS ANALYSIS

economy and financial system — and with the 1988 presidential campaign just beginning.

AIDS Prejudice Called a Global Danger

By Lawrence K. Altman New York Times Service WASHINGTON — The director of the World Health Organization's AIDS program has warned that the global epidemic of the disease had entered a third stage in which prejudice about race, religion, social class and nationality was spreading as fast as the virus.

Brazil Moves To Cut Deficit In Budget

By Juan de Onis International Herald Tribune RIO DE JANEIRO — After months of indecision on Brazil's economic crisis, the government of President José Sarney has agreed on a program to reduce budget deficits by increasing public service rates, eliminating some consumer subsidies and tightening tax collection.

The Palestinians: Bitter Are the Landless

By Patrick E. Tyler and Jonathan C. Randal Washington Post Service AMMAN, Jordan — Twenty years ago, as Israel celebrated the expansion of its territorial domain, a sense of humiliation and despair hung over the Arab world.

Moët and Vuitton Plan Potent Blend

By Axel Krause International Herald Tribune PARIS — Moët-Hennessy SA and Louis Vuitton SA, makers of champagne, leather goods, and other necessities in the lifestyles of the rich and famous, said Wednesday that they plan to merge into an ultra-upscale empire in a transaction valued at 25 billion francs (\$4.1 billion).

On Page 9

Paul A. Volcker's legacy is an economy that he alone freed from its worst predicament since the Depression.

Rebel Attack Reported

Tamil rebels claimed to have killed 100 Sri Lankan soldiers in an attack on an army camp in northern Sri Lanka on Wednesday, Agency France-Press reported from Madras, India.

VENICE-BOUND



VENICE-BOUND — Ronald and Nancy Reagan leaving the White House on Wednesday to begin their trip to the Venice economic conference. Behind them is Vice President George Bush. Mr. Reagan is to meet with the leaders of six other nations.

Rebel Attack Reported

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Moët and Vuitton Plan Potent Blend (continued) The merger would be one of the largest in recent French history, and would form "a group covering all aspects of the high quality market and the art of French living."

The Palestinians: Bitter Are the Landless (continued) The attitude of hard-line Israelis devoted to expanding Jewish dominion over what had been Arab lands was expressed by Golda Meir when she declared that there are "no Palestinians."

Brazil Moves To Cut Deficit In Budget (continued) Finance Minister Luiz Carlos Bresser Pereira said Tuesday that these measures, approved in a cabinet meeting Monday night, would reduce domestic consumer demand.

From the Folks Who Brought You Live Aid, The Holy Father

By Elizabeth Kastor
Washington Post Service

WASHINGTON — Tony Verna had no trouble selling Live Aid. But the pope's prayer is something else.

His new production, "Prayer for World Peace," is a one-hour, worldwide program on which Pope John Paul II will say the rosary with an audience of 1.5 billion. It will be televised Saturday.

"With Live Aid, it was easier to explain," said Mr. Verna, who was the co-producer of the 1985 rock fund-raiser for famine victims in Africa. "Then I'd say, 'It's Mick and it's Tina and it's David Bowie.' Everyone understood that. How can people understand this?"

People will be "responding in five languages," he went on. "You're not going to believe the pictures."

"The Holy Father will finish," Mr. Verna said, "and bells will be ringing all over the world, people waving white handkerchiefs, the Holy Father, if he is so inclined,

waving back at them. I don't know — it chokes me up just to talk about it."

Mr. Verna served as executive director for Sport Aid, a weeklong series of sporting events to raise more money for famine victims. "That's active television," he said. "You can take the event to the people and the people to the event."

He also directed five Super Bowls for the American professional football championships and won an Emmy award as director of the 1984 Olympics in Los Angeles. He is now president of Global Media Ltd.

In January he dreamed up the idea of the papal prayer broadcast, which he said will be the most ambitious and complicated television TV program ever.

He approached the Vatican and proposed the date of June 6, which fell on the eve of the Marian Year, a 14-month period of prayer to the Virgin Mary for world peace.

"It was a great kick-off; I don't know his religious word," said Mr. Verna. "And this

is a communications pope. He's very aware of the power of the media. If you're going to do something like this, this is the man to do it with."

While television viewers watch the pope and more than a million people in churches in 17 countries offer responses to the prayers via television, Mr. Verna will be in a control room in London.

He will be weaving together the pictures from 18 satellites, 30 transponders, 75 cameras and a thousand technicians, and responding to such inevitable crises as "Poland's got static!"

Mr. Verna is putting his crews through rehearsals and making mock-ups.

"They get scared," he said. "My crews, they freeze up because it's overwhelming. You see a million people in Paraguay and then thousands in Portugal. It's multiple screen images, and it can happen. I have to desensitize them."

In Washington recently to promote his prayer telecast, he sat on the edge of a

couch, clothed in a sleek suit. He bounced, he twisted, he leaned forward and back.

"I like doing these things more than talking about them," he said of his broadcast, but he seems to be having no trouble.

He is Roman Catholic, but he said his religious beliefs were private and his technical wizardry non-denominational. "I would do this for the Jewish faith, the Zulus — you tell me who."

During the program, the pope will recite the rosary in Portuguese, French, Spanish, German and English, and there will be brief scripture readings in modern Greek, Polish, Russian and Arabic.

The prayer will be carried on at least 114 stations in the United States, about 40 percent of which have donated air time.

Where there is no television coverage in the United States, people will be able to call a phone number and hear the proceedings for a cost of about \$21 for the hour. Communications students will be able to call another number and listen to Mr. Ver-

na's control-room directions. The broadcast will be received in 10 Latin American nations, 6 in Western Europe and 6 in the Asia-Pacific region, as well as in North America. In Eastern Europe, only Poland will participate, and in Africa, only Senegal.

"England is only 5 percent Catholic," Mr. Verna said, "and they're not picking it up. So you know what I'm doing? I'm sending it into the churches and the faithful can see it on monitors, just like a closed-circuit flight. Why should I be held back by the BBC?"

"Prayer for World Peace" is expected to cost more than \$2 million. The Bic Corp. is the underwriter and Lumen 2000 International, a foundation that supports Christian broadcasting, has also provided funding.

Global Media will pick up the rest of the cost, which Mr. Verna hopes will be covered by a video and commemorative book that comes out of the program.

Beirut Editor Says 2 West Germans Seized in Lebanon Will Be Freed Soon

BEIRUT (AFP) — Two West German hostages kidnapped in Lebanon in January will be released "very soon" through Iranian intervention, in January will be released "very soon" through Iranian intervention, Hassan Sabra, the editor of the Beirut weekly Ash Shaara, said Wednesday. His newspaper was the first to publish the reports of secret U.S. arms sales to Iran.

The Germans will be freed, he said, because Bonn had told Tehran it would not extradite to the United States a suspected Lebanese terrorist, Mohammed Ali Hamadeh.

Mr. Sabra, a Shiite Muslim with close contacts with Iran's leaders, said Iran "is the key to the problem, and no hostage will be freed until Iran's demands are met." He said the Iranian leader, Ayatollah Ruhollah Khomeini, had named a five-man committee to monitor the fate of two Americans and three French held hostage in Lebanon.

Iran, Mr. Sabra said, seeks the release of billions of dollars in Iranian assets frozen in U.S. accounts and more U.S. arms shipments to Tehran. He said, must solve a financial dispute with Iran and end its military support of Iraq.

Belgium Won't Replace Nike Missiles

BRUSSELS (Reuters) — Belgium reaffirmed Wednesday that it would not replace its aged Nike air defense system when the missiles are phased out in the next three years, despite protests from its allies in the North Atlantic Treaty Organization after the decision was first announced last week.

A Defense Ministry spokesman said a cabinet meeting had confirmed that, because of austerity measures, Belgium would be unable to buy the replacement system of Patriot missiles when it dismantles its four Nike ground-to-air missile batteries in West Germany.

The missiles, which have a 90-mile (145-kilometer) range and can carry either nuclear or conventional warheads, were deployed in the late 1950s and are now regarded as almost obsolete. But they fulfill a Belgian commitment to ensure the air defenses of a 40-mile stretch of West German territory against high-altitude bomber attack.

Christian Democrats Gain in Italy Poll

ROME (AP) — The Christian Democrats, long Italy's dominant party, have overtaken the Communists in a poll published Wednesday, less than two weeks before parliamentary elections.

The Telemark poll in La Repubblica, Italy's second-largest newspaper, shows former Prime Minister Bettino Craxi's Socialists, the perennial third party, possibly making major gains, which would strengthen their claim to play a decisive role in forming the next government.

President Francesco Cossiga scheduled elections for June 14-15 after a long political stalemate caused by the collapse of Mr. Craxi's five-party coalition, which governed for more than three years.



Sir Joh Bjelke-Petersen announcing in Brisbane on Wednesday his withdrawal from the Australian elections.

Queensland Leader Is Out of Election

SYDNEY (Reuters) — The Queensland premier, Sir Joh Bjelke-Petersen, formally withdrew Wednesday from next month's Australian federal elections, saying that he wants to preserve unity in his National Party and build a common front of conservative forces against Prime Minister Bob Hawke of the Labor Party.

Sir Joh, the maverick rightist leader, and John Howard, leader of the Liberal Party, met Wednesday for the first time since the breakup two months ago of the 40-year coalition and pledged to cooperate. They said that the differences in their party's policies should not be allowed to stand in the way of defeating the Hawke government.

Mr. Hawke called for elections to be held on July 11, eight months before the end of his three-year term, after accusing the opposition parties of frustrating efforts to revive the economy. The re-establishment of the Liberal-National coalition could make the July 11 elections close, political analysts said.

Likely Nakasone Successor Emerges

TOKYO (Reuters) — Former Finance Minister Noboru Takeshita emerged Wednesday as the front-runner in the race to succeed Prime Minister Yasuhiro Nakasone later this year, political analysts said.

Mr. Takeshita, 63, won the support of 118 fellow members of the governing Liberal Democratic Party, giving him the upper hand in the fight to control the party's largest faction and become Japan's next leader, analysts said.

Four senior members of the governing party are jockeying to succeed Mr. Nakasone: Mr. Takeshita, former Foreign Minister Shintaro Abe, Finance Minister Kiichi Miyazawa and Susumu Nikaido, the former party vice president.

For the Record

Nancy Pelosi, a Democrat, scored an easy victory Tuesday in the special runoff election to fill the congressional seat in San Francisco left vacant by the death in February of Representative Sala Burton.

Leaders of South Korea's governing Democratic Justice Party endorsed President Chun Doo Hwan's choice of his close aide, Roh Tae Woo, as its candidate for this year's presidential election, a party spokesman said Wednesday.

Prime Minister Zhao Ziyang left on a trip to East Europe on Wednesday. In departure remarks, Mr. Zhao said that he would give up either his post as prime minister or as acting Communist Party leader this fall. He said he has "an overload of work." (UPI)

TRAVEL UPDATE

FAA Suspends a N.Y. Copter Shuttle

WASHINGTON (IHT) — The Federal Aviation Administration has suspended helicopter shuttle service flights between Newark and Kennedy airports and a Manhattan heliport operated for Pan American World Airways by Omniflight Helicopter Services.

The emergency order cited the company for operating the aircraft in a "careless or reckless manner." The agency said Omniflight was operating as a regularly scheduled commuter service while it was only certified to operate as an "on-demand" air taxi service. The regulations for commuter airlines are significantly stricter than those for air-taxi services.

The agency said that Omniflight's pilots and first officers had not completed competency tests for commuter flights. It said the company did not keep adequate records and it operated helicopters even though it did not have an approved training program for commuter air service. The company also did not have the proper aviation charts on hand for its pilots, the agency said. The company has 10 days to appeal the order.

The Venice airport will be closed to normal traffic as part of security precautions at next week's conference of the leaders of the major industrialized nations, officials said Wednesday. Flights will be diverted to Treviso, 20 miles (32 kilometers) from Venice.

A Townsend Thoresen ferry was grounded on a sandbank as it approached the Northern Ireland port of Larne on Wednesday on its daily crossing from Scotland. A company spokesman said no one was in danger aboard the ferry, the Ionic. A tug was called in to free it.

U.S. airlines will be required to carry protective breathing equipment for flight attendants to put out fires, Transportation Secretary Elizabeth Dole said Wednesday. The attendants are to be trained in fighting fires while wearing the equipment.

Rust Might Face a Trial For 'Carefully Prepared' Trip, Soviet Editor Says

MOSCOW — The teen-age West German pilot who landed a light plane near Red Square last week will have to face the law, a senior Moscow journalist said Wednesday in giving the first detailed account of the exploit.

The commentary by Yegor Yakovlev, editor in chief of the weekly Moscow News, was the strongest indication that Mathias Rust, 19, would go on trial for his exploit. It was also the first mention that the pilot had landed his light Cessna near the Kremlin wall.

Previously, the Soviet media had said only that Mr. Rust landed in Moscow. This omission was a notable policy gap in the glasnost, or openness, policy advocated by the Soviet leader, Mikhail S. Gorbachev.

Mr. Rust, who is being held in Lefortovo Prison in Moscow, is under investigation by the Soviet prosecutor's office. He entered Soviet airspace over Estonia during a flight from Helsinki and landing near the Kremlin on Thursday.

If found guilty of violating Soviet airspace, he could face up to 10 years in prison.

West German authorities pressed their diplomatic efforts Wednesday to secure the release of Mr. Rust. A spokesman in Bonn said the embassy in Moscow was working intensively toward finding a solution, but gave no details.

The spokesman said Mr. Rust had said nothing about his motives to embassy officials who visited him Monday in prison. The spokes-

man would not speculate on the reasons for the flight. The Soviet investigation, he added, was being carried out correctly.

A close aide to Mr. Gorbachev, Valentin M. Falin, said Tuesday that it was becoming clear that Mr. Rust did not act alone. "The background is more involved than it seemed at first," he told West German television.

In his commentary, Mr. Yakovlev said the authorities would show that Mr. Rust's flight had been "carefully prepared on maps and a model in Hamburg," the West German's hometown and point of departure on the first leg of his route.

The commentary added that various crossing points into the Soviet Union had also been discussed before Mr. Rust left Hamburg on May 13, suggesting that other people had taken part in the preparations.

"The Soviet public prosecutor will obviously establish the motives that pushed Rust to commit his illegal act," Yakovlev said.

The most dramatic consequence of Mr. Rust's flight has been the removal of the defense minister, Sergei L. Sokolov, and the dismissal of the air defense commander, Chief Marshal Alexander I. Koldunov.

The Kremlin announced the shake-up on Saturday, denouncing inadmissible laxity in the protection of Soviet borders, and Soviet officials have indicated that other dismissals will follow.



Alice Vansteenberghé being aided as she arrived Wednesday to testify at the Barbie trial.

Barbie Witness Describes Roundup

By Julian Nundy
International Herald Tribune

LYON — The court trying Klaus Barbie heard allegations Wednesday that he organized the

charges of crimes against humanity. The prosecution contends Barbie rounded up 650 people, Jews and members of the French Resistance, as the Allies advanced on the city.

Alice Vansteenberghé, 78, a doctor who was in the Resistance, said she had seen Barbie rounding up prisoners in Montluc prison on Aug. 11, 1944, for transport to Auschwitz.

Lyon was liberated on Sept. 5, little more than three weeks later. The train, according to survivors who traveled on it, took nearly two weeks to reach its destination after zig-zagging through eastern France to avoid the advancing armies.

The organization of the convoy is considered by lawyers representing victims of Nazism in Lyon as a particular sign of devotion to the Nazi cause at a time when the Germans were preparing to evacuate the city.

Dr. Vansteenberghé, who said she had been arrested on Aug. 5, 1944. She described being tortured, first by "a blond colossus" who tore out her fingernails and then by a team that included Barbie. She had identified Barbie in pretrial testimony.

Entering on crutches Wednesday, she said that the beatings she received broke five vertebrae. She said that she had not been able to walk normally since.

She said she had studied Barbie closely for physical details that he would not be able to hide after the war "even if he had a facelift." She identified these as a defect on his left ear and a mannerism of spreading his little finger.

On Aug. 11, 1944, she testified, she saw Barbie through the peephole in her cell door as prisoners were gathered for the journey to Auschwitz.

Barbie, who was not present in court, may be brought by force to confront witnesses who have not met him in pretrial investigations later this week, probably Friday, court officials said.

Barbie left his trial on May 13, the third day of the hearing because he says his 1983 expulsion from Bolivia to France was illegal. He was brought into court for 20 minutes on May 26 for a similar encounter, breaking with usual French legal practice.

As for possible attacks in Britain during the parliamentary campaign this month, the IRA source said that the organization believes "in the element of surprise. And when it is missing it is unsafe to carry out our form of action."

He said British authorities "just don't know when we're going to attack. But they do know, for their involvement in Ireland, they are always targets."

Police reported that two gunmen on Tuesday shot and killed an off-duty policeman from Northern Ireland who was visiting his parents in Drumkeen, County Donegal, in the Irish Republic. The Associated Press reported from that town. The IRA claimed responsibility for the killing. Britain's Independent Television News reported.

The IRA source dismissed suggestions from within the Royal Ulster Constabulary, Northern Ireland's police force, that an informer might have set up the Loughall ambush. "We are fairly satisfied that there was no informer," he said.

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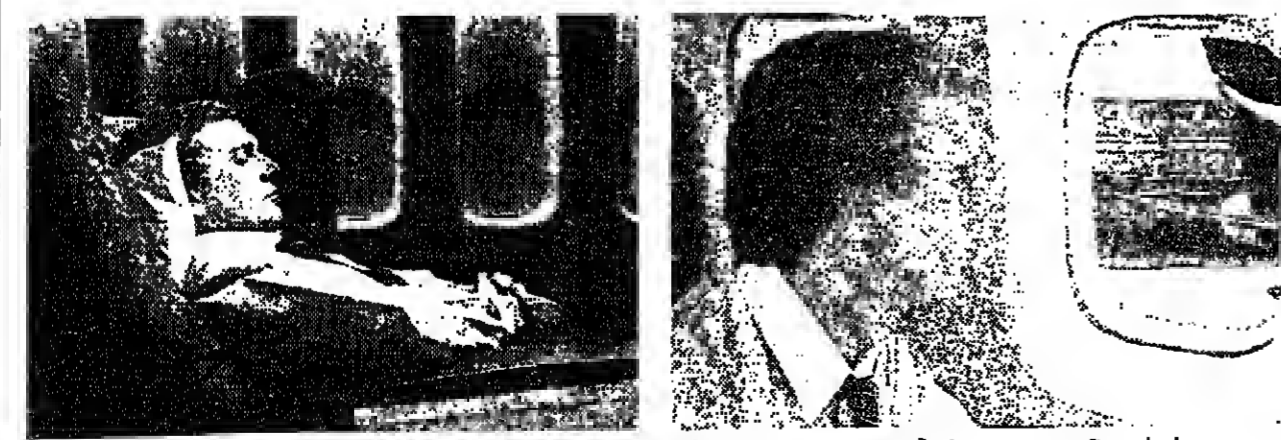
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Forged U.S. Documents Are Said to Complicate Nation's Foreign Policy

By David K. Shipler
New York Times Service
WASHINGTON — The State Department has reported that forged U.S. government documents are being spotted increasingly and in higher quality in various parts of the world, with adverse effects on U.S. foreign policy.

At a news conference Tuesday, Kathleen C. Bailey, a deputy assistant secretary of state for intelligence and research, made public several documents she said were forgeries. Among them was a memorandum bearing what appears to be President Ronald Reagan's signature that calls for the creation of a Latin American military force to contain Soviet expansion.

At UNESCO, Sadruddin Is A U.S. Choice

WASHINGTON — Prince Sadruddin Aga Khan has emerged as a favorite among U.S. officials to become the next director-general of UNESCO.

To a casual reader, the document appears authentic. But, Miss Bailey said, its grammar and syntax betray its author as someone who is not a native speaker of English. The memorandum, which is addressed to the secretaries of State and Defense and the director of Central Intelligence, calls for "a new U.S. program toward the region of which the central feature must be the establishment of Inter-American Permanent Peace Forces."

Another document was a purported letter from Mayor Martin S. Barry Jr. of Washington in which references were made to supposed official U.S. support of certain political candidates in Haiti. Again, Miss Bailey said, the style of the language suggested that the author was not a native English-speaker.

Canada Reaches Accord on Quebec
OTTAWA (Reuters) — Canada's political leaders unanimously agreed Wednesday to bring Quebec into the Canadian constitutional family five years after the federal government and the other nine provinces signed the Constitution Act.

A U.S. Lawmaker Faces the Pain of Disclosing Homosexuality

By Linda Greenhouse
New York Times Service
WASHINGTON — On paper, Representative Barney Frank's decision to go public last week about his homosexuality ought to have been relatively painless.



Barney Frank

Nearly all the Massachusetts Democrat's colleagues on Capitol Hill already knew. So did at least some voters in his diverse suburban Boston district, where he knew that his private life was a subject of rumor even as his seat in the House of Representatives grew safer.

His constituents, evidently cherishing his blend of liberal politics, fast-talking irreverence and cerebral approach to issues, gave him 89 percent of the vote in the Democratic primary election last year and re-elected him to a fourth term by 90 percent, his highest margin ever.

Dukakis Gets Backing of Many of Hart's Key Campaign Aides
By E.J. Dionne Jr.
New York Times Service
WASHINGTON — Governor Michael S. Dukakis's presidential campaign has won the backing of key supporters of Gary Hart, including Paul Tully, who had been Mr. Hart's national political director.

While other Democratic hopefuls expect to pick up some of Mr. Hart's supporters, key Hart backers who have not made up their minds said Tuesday that they were leaning toward Mr. Dukakis.

Globe, a question that he knew would come someday from somewhere and that he had steered himself for after long periods of introspection and discussions with friends and colleagues.

Several factors contributed to his decision to bring an end to years of deflecting questions about his homosexuality, he said. One was the heightened public scrutiny to which the private lives of all politicians is now being subjected — most prominently in the case of Gary Hart, whose presidential candidacy collapsed after reports were published that he had spent time with a Florida woman.

Questions were likely to increase, not diminish, Mr. Frank knew.

Another factor was the death from AIDS last month of a respected colleague, Representative Stewart B. McKinney, Republican of Connecticut. Mr. McKinney's physician asserted that his patient had contracted the disease from a blood transfusion, leaving it to newspapers to report that Mr. McKinney was known to colleagues to have been homosexual.

Irrelevant, and I don't refuse to talk about being Jewish."

That period ended when he came to Washington in 1981. "But by then I was 41 years old," he said with a slight smile. "Even if I had wanted to live life to the full, I was too tired to stay out that late."

Mr. Frank said he was relieved that the disclosure was behind him. His congressional colleagues have offered support across ideological boundaries.

One of the first telephone calls was from Senator Alan K. Simpson of Wyoming, the acerbic and very conservative Republican whip, who told Mr. Frank he admired his courage and wished him well. Mail from constituents has been supportive at a ratio of about 6-to-1.

Legal Hocus-Pocus in Ho-Ho-Kus

French Chef Is Burned by City's Rejection of Outdoor Café

By Michael Winecup
New York Times Service
HO-HO-KUS, New Jersey — Claude Baillis, the French chef who runs the elegant restaurant in the 18th century Ho-Ho-Kus Inn, must have just the right food for the moment. He gets his crabs overnight from Maryland, his snails by United Parcel Service from Oregon. When morals came in season, he had his public relations firm send out a press release to all food writers that began: "MEDIA ALERT — APRIL SHOWERS BRING FRESH MORELS TO THE HO-HO-KUS INN!"

When he tried to explain to his relatives in France that outdoor cafés are against the law in parts of the United States, they all were astonished.

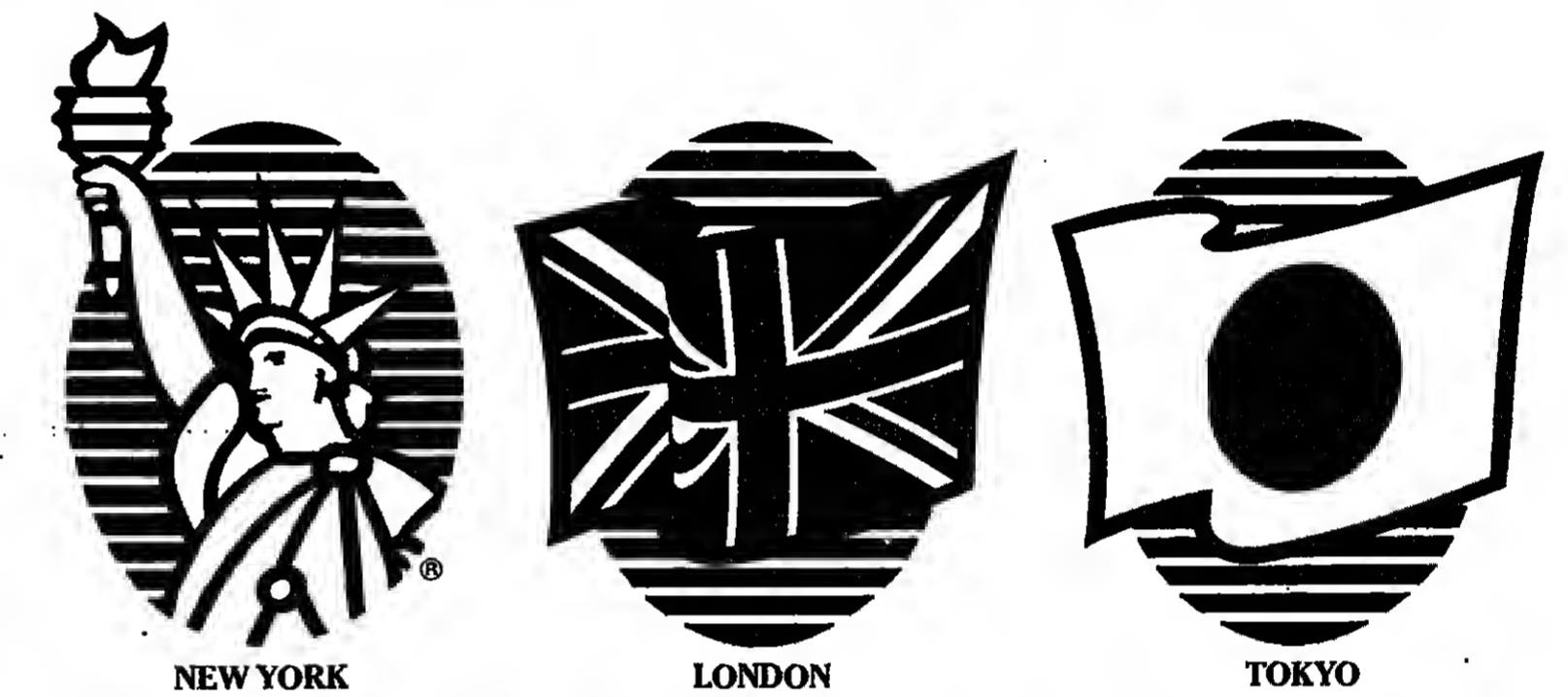
question has to be asked, "Is it for the public good?"

U.S. Aide Held in Visa Fraud

WASHINGTON — A former senior diplomat at the U.S. Embassy in Madrid has been charged with conspiring to sell false U.S. entry visas to Iranians.

Mr. Fennell, who supervised the visa operation at the Madrid embassy, was to appear Wednesday before a U.S. magistrate in Washington.

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Greenspan Moves In

Exit a Good Chairman

Paul Volcker has repeatedly rescued the Reagan administration from the worst consequences of its economic mistakes. But his second term as chairman of the Federal Reserve Board is ending, and, as President Reagan announced on Tuesday, he will not remain for a third. While that now exposes the administration to a degree of vulnerability, the president has chosen the next chairman well. He has put aside all the Reaganomics and funny business to nominate Alan Greenspan, an experienced economist who stands for sophisticated and orthodox financial conservatism. On inflation and the war against it, Mr. Greenspan's views are unlikely to prove very different from Mr. Volcker's. Why did Mr. Volcker decide to leave? The chairmanship is a grinding job, and eight years of it is long service. But it seems pretty clear that he would have remained if the president had been prepared to give him a measure of visible public support. That was more than Mr. Reagan was prepared to offer. He likes having it both ways. He likes the credit for a low inflation rate, but he prefers not to be associated with the financial discipline that produces it. More than most presidents, he likes to convey an impression that there is an enticing Reagan policy, dancing around somewhere out there in the mists beyond your line of sight, quite unrelated to the somber and unwelcome strictures that Mr. Volcker keeps reading to Congress. Each of the president's last five appointments to the Fed has been advertised by his supporters as an anti-Volcker vote, with accompanying speculation inspired by the

White House regarding the exciting things that would happen when the Reagan votes got control of the board. They have had control, arithmetically, for some time, and nothing much has happened. However, Mr. Volcker was tired of the game and evidently felt that, to operate effectively, he needed more than a grudging and silent reappointment. Since the president was not prepared to extend it, Mr. Volcker now leaves it to Mr. Greenspan to deal with the White House and the president's ideas about economics. Mr. Greenspan understands fully the perils of presidential policy that tolerates gigantic budget deficits. He knows a lot about Washington, where he has served with distinction before. But he has had less direct experience with the international financial system and the mechanisms that set, for example, the dollar's exchange rate. Dealing with the Latin debt may well prove to be the most difficult part of his new job. For the past five years the United States has managed its interests chiefly through the Federal Reserve. Mr. Volcker has often been the bridge between the commercial banks and the Latin governments, to which he has built up a wide range of personal associations. A Federal Reserve chairman's successes are usually measured by the disasters that never happened. Under Mr. Volcker the inflation of the 1970s did not return, the dollar's exchange rate did not collapse and Latin America did not drift off into default, isolation and depression. So far the world's financial system has kept its balance. For his part in that, he is owed the gratitude of the United States — beginning with President Reagan's. — THE WASHINGTON POST.

Reassuring Succession

If the Federal Reserve Board has to have a new chairman, President Reagan could not have made a better choice than Alan Greenspan, Paul Volcker's departure is disappointing, but not a disaster. No one can immediately match his stature or depth of experience, but Mr. Greenspan has judgment and intellect, tested by public and private responsibilities. The two men share a sound, conservative middle-of-the-road monetary philosophy. The test for Mr. Greenspan will be whether he can equal Mr. Volcker's strength in resisting fierce political pressures for costly economic short-cuts. The Fed chairman bears tremendous authority, as the leader in shaping America's monetary policy and as point man in dealing with other central banks. His agency is technically an arm of Congress, independent of White House control. But the chairman's power depends on his personal ability to develop consensus within the system and to work with the administration. For the most part, Mr. Volcker has done both with extraordinary skill. His most obvious accomplishment was to conquer the daunting double-digit inflation that shadowed the Carter years. With less recognition, he has saved the Reagan administration from its blundering nonmanagement of the budget deficit, the

soaring dollar and the Third World debt crisis. Reaganists have always been ambivalent about this Democrat appointed by President Carter. Mr. Reagan reappointed him reluctantly in 1983, when dumping him might have created a crisis of confidence. Reportedly he was invited to stay for a third term, but was not pressed to do so. Mr. Reagan will soon have his own man at the Fed, and a Republican to boot — at least nominally. For, regardless of party, there is always some healthy tension between the Fed and the White House. Elected politicians want low interest rates and fast growth; central bankers are paid to guard against inflation. As far as is known, Mr. Greenspan does not disagree with Mr. Volcker on monetary policy in any major respect. There is no reason to expect that he will try to tighten or loosen the Fed's reins on credit more than his predecessor. Alan Greenspan will bring considerable wisdom in the ways of Washington, having served three years as President Ford's chief economic adviser and later as chairman of President Reagan's commission on Social Security reforms. That bipartisan commission provided a good test of consensus skills and strength in the face of political pressure. Chairmanship of the Federal Reserve for the next four years will provide a supreme one. — THE NEW YORK TIMES.

Bonn Goes for Zero

West Germany has removed a major potential barrier to the administration's first nuclear arms control agreement with the Soviet Union. It has accepted the "double zero option" proposed by Moscow and already informally endorsed by Washington. Double zero means eliminating in Europe the medium-range missiles of the two great powers and the shorter-range missiles possessed only by Moscow. Considering the centrality of the issue to their security and peace of mind, the Germans acted expeditiously; less than two months have passed since Moscow made its offer. For the Germans it was a difficult but necessary decision. The left pushed on Chancellor Helmut Kohl from outside his governing center-right coalition to accept the deal, but inside the coalition the "steel helmet" right sought a far-reaching revision of its terms. The conservatives argued that key lower nuclear rungs were being removed from the theoretical ladder of escalation, allegedly "decoupling" the Federal Republic from American protection and leaving deterrence to rest on battlefield nuclear weapons that would be exploded on German territory alone. The United States has the thousands of other nuclear weapons — and the strategy

and the record — to rebut these contentions, and it did. What carried the day in Bonn, however, was the judgment of Foreign Minister Hans-Dietrich Genscher. West German security finally depends more on solidarity with the United States than on any particular formula of deterrence, he argued; Bonn could not possibly block a major arms control agreement favored by a conservative administration in Washington. The Germans insist that they be allowed to retain, and evidently soon to replace, their 72 aging short-range Pershing 1A missiles. These are hybrids meant to give non-nuclear West Germany a bit of the feel, without no substance, of nuclear status. The missiles are German and hence formally outside an agreement on Soviet and U.S. intermediate nuclear forces; their warheads are American and hence presumably inside. There are the makings of an impediment here. But it is hard to think that a real hitch could be allowed to develop over a set of old, deteriorating weapons that had escaped general notice before. The real European security interest lies in moving on from reducing missiles to removing the ominous Soviet advantage in the attack capability of conventional forces. — THE WASHINGTON POST.

Other Comment

Add the Gulf to the Agenda

Next week's economic summit in Venice now seems bound to devote almost as much time to the situation in the Gulf as to the state of the world's markets. President Reagan has made it plain that he intends to ask his allies what they are ready to do to help keep the shipping lanes open in and out of the Gulf. Not unreasonably, the Americans point out that most of the oil which passes through the 25-mile-wide Strait of Hormuz is destined for Europe or Japan. Britain, which now has three warships and an auxiliary committed to the Gulf, might reasonably point out that, with the French, it has been patrolling the tanker routes since 1980. In those circumstances, it would obviously be both practical and sensible for Britain, France and any other European country with a naval presence to cooperate with America, which has a powerful fleet in the Indian Ocean as well as ships in the Gulf. Saudi Arabia, Oman and Kuwait all recognize that sooner or later Iran will have to take its place as a major member of an informal regional grouping. It is also worth noting that it was Iran, which began the "tanker war," Iran, which sends all its oil out by sea, has a clear interest in keeping the sea-lanes open. There would surely seem to be some scope for constructive diplomacy. — The Independent (London).

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International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92200 Neuilly-sur-Seine, France. Tel.: (1) 46.37.95.00. Telex: Advertising, 613595; Circulation, 612832; Editorial, 612718; Production, 630698.

Directeur de la publication: Walter N. Thayer.

Editor for Asia: Michael Richardson, 5 Conventry Rd., Singapore 0511. Tel. 472-7708. Telex R3536923. Managing Dir. Asia: Malcolm Glenn, 50 Gloucester Road, Hong Kong. Tel. 5-861006. Telex 611790. Managing Dir. U.K.: Robin Cookson, 65 Long Acre, London WC2E 9LW. Tel. 836-8302. Telex 362000. Gen. Mgr. W. Germany: W. Lauterbach, Postfach 13, 6000 Frankfurt/M. Tel. (069) 74753. Telex 416721. Pres. U.S.: Michael Connor, 880 Third Ave., New York, N.Y. 10022. Tel. (212) 752-3800. Telex 427175. S.A. a capital de 1.200.000 F. RCS Nanterre B 232021126. Commission Paritaire No. 61337. © 1987, International Herald Tribune. All rights reserved. ISSN: 0294-8052.

OPINION

Forward to a Treaty, but Problems Remain

By Gerard C. Smith

WASHINGTON — West Germany's acceptance of the Soviet Union's proposal to eliminate shorter-range missiles in Europe should provide new impetus to complete a treaty on intermediate-range nuclear forces. Such a treaty numerically favors the West and would make a modest but important contribution to the security of NATO. Yet ultraconservatives and former statesmen, many of them nominally in favor of arms control, will undoubtedly continue to criticize the deal. Why? The main objection seems to be a fear that a treaty to remove intermedi-

Western Europe would be tantamount to an attack on the United States. Nonetheless, inconsistencies in the Reagan administration's arms policies will plague the administration as it pursues an INF agreement. One serious inconsistency involves long-range weapons. The administration has criticized past arms control agreements because they could be circumvented by deployment of other types of weapons. But by repudiating the SALT-1 and SALT-2 accords, the

This prospect not only increases the chances of an escalation of the strategic arms race but also undermines the military strategy of deterrence upon which the NATO alliance has been based for nearly four decades. To pursue the Strategic Defense Initiative is to reject the arms control strategy — based on the anti-ballistic missile treaty — upon which the West has built its security. Uncertainty has rarely if ever been so high. Third, the administration has repeatedly accused the Soviet Union of systematically violating arms control agreements. Although I believe that the administration's assessment of Soviet noncompliance is essentially incorrect and self-defeating, this public campaign has created a considerable dilemma. The president recently stated, "Compliance with past arms control commitments is an essential prerequisite for future arms control agreements." Will he now push for ratification of a new treaty without first resolving these past issues?

Fourth, and perhaps most important: In light of the escalating effort by the administration to reinterpret the ABM treaty, allies will have justifiable doubts about the duration of the U.S. commitment to new international agreements. The reinterpretation of the treaty is a studied piece of disinformation. The administration now contends that the treaty permits activities that it clearly bans. If America is willing cavalierly to disregard international legal obligations under the ABM treaty, the present foundation of superpower arms control efforts, why would friends and allies not question America's commit-

ment to other agreements that bear on their security? The attempt to evade obligations under the ABM treaty does serious damage to U.S. credibility on the international scene.

The way the United States responds to these inconsistencies in its arms control policies is more important than how it resolves the remaining issues in the INF talks. European friends should ultimately recognize that the real value of an INF treaty relates more to the kind of superpower relationship it can help engender — including improving the chances of achieving reductions in the more numerous strategic weapons — and less to its specific mandates. Unfortunately, the administration might exploit an impending deal on such a treaty to cover its efforts to accelerate the SDI and to cripple the ABM treaty. Congress should continue to mandate compliance with the ABM treaty and SALT-2.

Alternatively, the president and his advisers, faced with the prospect of an INF treaty, might engage seriously on other arms control issues. Complying with such a treaty and pushing for its ratification would demonstrate the ABM treaty would renounce the ABM treaty or apply a new, broad interpretation of it. If that led to movement on the overriding issue of long-range strategic arms, a treaty on intermediate-range nuclear forces would be worth far more than its terms would suggest.

The writer was chief negotiator of the anti-ballistic missile treaty. Now chairman of the Arms Control Association, a public-policy organization, he contributed this comment to The New York Times.

No, Reagan Isn't Much Like Maggie

By Anthony Lewis

LONDON — Margaret Thatcher and Ronald Reagan are often discussed as if they were political twins. They do have ideology in common. But in the way they do the work of politicians, getting elected and running governments, they could hardly be less alike. Mr. Reagan's political persona is the nice guy, easygoing, friendly, aw-shucks. Statements that would make hair stand on end if uttered by anyone else frighten hardly anybody when they come from him. Poles show that only about a quarter of Americans believe his story in the Iran-contra affair, but many more still like him. No one would accuse Mrs. Thatcher of affability. In voice and manner she

Civil servants say Mrs. Thatcher is genuinely interested in facts.

is Miss Know-It-All, a nanny about to spank her charges unless they shape up and learn their lessons. "I'm sorry," she told a questioner at the morning press conference the other day, "you haven't got it at all." Even as president, Mr. Reagan comes on as an amateur, an anti-politician. Prime Minister Thatcher is a professional and a pro of it. She worked her way through the system, and she knows every detail of it.

Detail may be the most striking difference. Mr. Reagan's "management style," as the Tower commission politely called it, is to set only the broadest outline of policy, leaving the rest to his subordinates. Mrs. Thatcher seems determined to know everything that goes on in her government.

One or more of her cabinet members attend the Conservative Party press conference held daily during the election campaign. But she is totally in charge, down to the placing of microphones. And she is not always cheering to her colleagues.

She answered a reporter's question one day and then turned to Norman Tebbit, party chairman and a cabinet member, who was next to her. With a tight smile she said: "I'm sure you'd like to add something very pithy."

Mrs. Thatcher works extremely hard, reportedly getting — and needing — only three and a half hours of sleep a night. The contrast with Mr. Reagan need not be elaborated.

The sense that she is in charge, and determined, may be her biggest political asset. Poles show deep doubts about Conservative attitudes on education and other social issues, and they certainly show little affection for her as a personality. But I think people respect her commitment and drive.

Her greatest achievement in that sense has been the curbing of trade unions. She took on what had become an independent power in the country and beat it. The plague of strikes has essentially ended, and most people surely welcome the sense of order.

A reporter asked her whether dislike for her personality — "the Thatcher factor," it is called — would hurt in the election. "What they are accusing us of," she answered, "is having the guts and the spine to put our policies through and reveal them."

She certainly is not worried about the press, as her appearance each morning to answer questions indicates. Her self-confidence is so great that she envisaged not only a third term but a fourth as prime minister.

She will probably win, because she is lucky in having a divided opposition. The Tories are polling just above 40 percent, with the rest split between Labor and the centrist Alliance, which groups Liberals and Social Democrats. It is possible that she will fall short of a majority in the House of Commons, but the money has to be on an outright Thatcher victory.

Another victory would have its dangers for her, just as landslides have had for American presidents. She could become even less willing to entertain the possibility that she is wrong.

There is an authoritarian tone in the prime minister, and that could worsen. She has already dropped independent-minded colleagues from her cabinet, and more of them are likely to go. As in the White House in the second Reagan term, the ideological line could harden.

On the other hand, Mrs. Thatcher has shown that she can be persuaded by facts — can change her mind. She did on Rhodesia, and then led the diplomacy that ended that long struggle and created an independent Zimbabwe. Civil servants say she is genuinely interested in facts, and lets them override ideology. There again the contrast with Mr. Reagan is evident.

The New York Times.

A treaty on intermediate-range nuclear forces could be worth far more than its terms suggest.

ate-range nuclear forces would propel NATO down a slippery slope of "de-nuclearization," thereby making a Soviet attack or intimidation of European countries more likely because American and West European security would be somehow "decoupled." Such fears are exaggerated. The likelihood of a Soviet attack, even without nuclear weapons to Europe, is very low. An agreement on medium-range forces would leave NATO with more than 4,000 nuclear weapons. Moreover, more than 300,000 American troops are based in Europe, and most of them would be directly in the path of a Soviet invasion. These troops are but a partial indication of U.S. security interests and historical commitment to peace and democracy in Western Europe. These factors should reassure allies that their security is inextricably linked to America's. An attack on

president has eliminated the only existing limits on strategic offensive arms (intercontinental missiles, cruise missiles and heavy bombers). Thus the Soviet Union could merely add to its long-range forces while honoring its commitments to eliminate medium-range weapons. Since a Soviet long-range missile can strike the same European targets that the medium-range missiles are aimed at, the military value of a treaty on medium-range missiles would be modest, or nil. A second inconsistency relates to the overall superpower arms competition. The INF agreement could be reassuring to allies if the nature of the future competition were not so unclear. President Reagan's obsession with developing strategic defenses and the recent effort to accelerate testing and deployment of those defenses cause great uncertainty for U.S. allies and for the Soviet Union.

Lebanon: The Killing Field of the Middle East

By Farid el-Khazen

BEIRUT — Twelve years of war have produced a norm of conduct that help Lebanese adapt to the unending chaos. There are the chronically depressed, and the diehard optimists who cling to whatever hope is left amid Lebanon's ruins. There is even one group of people who have managed to turn violence into a profitable enterprise. Anarchy has produced "entrepreneurs" who have mastered the skills of the war business: arms trade, smuggling everything from narcotics to luxury cars, kidnapping for ransom. These managers of violence are found in every faction. Some of them cooperate with foreign sponsors who provide security cover and a distribution network.

As for the average person, two factors account for his striking resilience. One is the hope that things will get better simply because they cannot get much worse. This is the attitude of the middle classes, who are trapped in the war cycle and have no choice but to believe they can break out. Then there is the simple driving passion for survival. Physical survival is the most immediate concern. Then comes economic survival, all the harder since the drastic loss in the exchange value of the Lebanese pound in the past two years. Mundane concerns figure prominently: the availability of certain foods, gasoline shortages, electric power cuts and water supply. These concerns are the key to achieving a daily sense of success. It is a real achievement to have electric power on a Saturday night after weeks of hiding in overcrowded shelters to escape indiscriminate shelling of civilian areas. Or to get a few gallons of gasoline after hours of shoving and, in some cases, armed duels between impatient militiamen. Or to drive home safely after being stuck in traffic jams at a time when car bombs are haunting the populace. People defuse their frustration with empty debates over insignificant issues, such as the inconsequential election of a deputy speaker, the coun-

less abortive security plans, the opening of airports and the closing of gambling facilities. The average person perceives that developments in Lebanon continue to preoccupy the world, particularly the superpowers. This illusion of importance, reinforced by the local press, can become a psychological tranquilizer that preserves a sense of apparent normality in the country. Beneath the veneer of resilience and daily accomplishments lies a fear of the unknown, of the worst happening, of the senseless violence to which no one is immune. In other places, violence may serve as an instrument of protest or a way to terrify the enemy. In Lebanon, violence often has no identifiable target, no return ad-

dress. In its ugliest forms — car bombs — violence in Lebanon is aimed neither at deposing a government nor at publicizing specific concerns. Its aim is to terrorize innocent civilians. Who benefits from this ritual of violence? We think we know why Catholics and Protestants are at one another's throats in Northern Ireland, or what the Basques in Spain are asking for and what the contras seek in Nicaragua. But do we know why schoolchildren are being slaughtered in Lebanon? How can the killing of thousands of innocent civilians "Arabize" Lebanon, liberate Palestine or bring about an Islamic order in Lebanon? One aspect of violence is certainly purposeful. The kidnapping of Westerners in West Beirut is the most politicized form of violence Lebanon has known during the war. Such kidnappings have become an effective tool for attracting world attention, humiliating democracies and causing crippling problems for superpowers.

Clearly, these are not the deeds of free-lance terrorists or fanatics shouting "Death to America." Kidnappers in Beirut are hired for their skills, but the decision to hire them is made by politicians and sophisticated strategists who do not wish to be held accountable for the deed. Violence has paid off in Lebanon for those terrorists with global ambitions and goals. But in such a high-powered game the damage is no longer confined to marginal Lebanon. No one will be served by seeking to "quarantine" Lebanon, as Secretary of State George Shultz recommended. The need, rather, is to help the Lebanese state quarantine those who, in the name of justice and peace, have turned the country into the killing field of the Middle East.

The writer teaches politics at the American University of Beirut. He contributed this comment to The Washington Post.



Ripples From Fiji Unsettle the Pacific and Beyond

By Roderic Alley

WELLINGTON, New Zealand — Since he stunned Fiji, the rest of the South Pacific and the Commonwealth with his bloodless coup on May 14, Lieutenant Colonel Sitiveni Rabuka's grip has tightened. So, too, has the constitutional and diplomatic impasse it created. The Fiji island chain is a hiral state. Indigenous Melanesian Fijians make up 45 percent of the population and control the security forces. But they are slightly outnumbered by people of Indian descent, who play a key role in the economy. In protest against the removal of the first Indian-majority government, which won office in elections in April, Indians are shutting down the economy by refusing to harvest sugar, the top export earner, and by withdrawing from essential services in defiance of the junta that stands behind the interim administration headed by Governor-General Sir Penaia Ganilau, a Melanesian. A second pillar of the economy, tourism, is collapsing because many prospective visitors have been frightened away.

The government removed by the coup was led by a Melanesian, Timoci Bavadra. His two-party coalition won office pledging a new deal for the lower paid of both races. It also said it would investigate alleged corruption in the outgoing Alliance party, a coalition of Melanesians, Indians and Europeans that had ruled Fiji since its independence from Britain in 1970. The threat of an inquiry encouraged prominent figures in the Alliance to conspire with the military in planning a coup. Although Mr. Bavadra and other Melanesians in the government held important portfolios, such as land, agriculture and education, that affected indigenous interests, demonstrations organized by defeated Alliance members were able to manipulate fears that the coalition threatened Melanesian interests because it was numerically dominated by Indians. When Colonel Rabuka seized power, he emphasized a need to return the country to "order" by ensuring that any future parliament would have a 75 percent majority of Melanesians. Yet the constitution, painstakingly drawn up in 1970 by Melanesian and Indian leaders, guaranteed the rights of Fijians, including their ownership of 82 percent of the land. Sadly, those pro-

ective provisions were never translated into Fijian for public appreciation. Colonel Rabuka has neutralized the governor-general, who represents Queen Elizabeth II as Fiji's head of state, by inducing him to grant amnesty to those involved in the coup and to head an interim administration dominated by Alliance politicians and sympathizers. The colonel is the most powerful member of this administration and will directly shape the drafting of a new constitution. From his political base in the west of Fiji's main island, Mr. Bavadra is boycotting the interim administration he was invited to join. At the same time, he is attempting to deal with the governor-general, whom he suspects is more sympathetic to the aims of the coup than to the existing constitution. It is likely that protracted economic decline and ethnic polarization would be accompanied by sporadic but worsening industrial and political violence. A major confrontation is looming with the judiciary, which correctly maintains that no revision of the constitution is possible without the approval of Parliament. The governor-general dissolved it when he assumed emergency powers after the coup. Colonel Rabuka has warned that if these legal impediments obstruct his aim of entrenching Melanesian political supremacy, Fiji will leave the Commonwealth and become a republic.

The divisive fallout from the Fijian crisis has spread to the South Pacific Forum, a group of 15 self-governing countries, and to the Commonwealth, an association linking Britain and 48 of its former colonies in different parts of the world. A substantial number of the Forum members, including Australia, New Zealand, Papua New Guinea, Fiji, Vanuatu, the Solomon Islands and the Cook Islands belong to the Commonwealth. There are differences over how to react to what is happening in Fiji. Australia and New Zealand, the two largest countries in the region, have suspended military cooperation and halted development assistance. Their unions have blocked the shipment of food and other essential supplies to Fiji. India, the most populous member of the Commonwealth, has urged consideration of economic sanctions by governments unless the Bavadra administration is restored to office. The Melanesian trio in the Forum

— Papua New Guinea, Vanuatu and the Solomon Islands — has warned against outside interference in Fiji's affairs, and this has struck a sympathetic chord among small island states. Fiji's interim administration hopes that the recognition it badly wants for economic and political survival will come as foreign governments acknowledge its grip on power and the consequences of continued divisiveness in, and over, Fiji. Playing on these concerns, the governor-general appealed on Monday for an end to trade embargoes imposed by Australia and New Zealand unions. He warned that they could harden extremist and harm ordinary people in Fiji. Australian unions eased their blockade on Tuesday to allow essential food supplies to reach Fiji.

The writer is a political scientist at Victoria University in Wellington who specializes in Pacific affairs. He contributed this comment to the International Herald Tribune.

Letters intended for publication should be addressed "Letters to the Editor," and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

New Zealand Will Have to Think Again

THE coup in Fiji has vindicated the revised security focus of New Zealand's Labor government, but not in the way anticipated. Prime Minister David Lange has underlined the strategic importance of the South Pacific for New Zealand. But his concern has been with threats from outside, not within the region. The security of the South Pacific has been represented as at risk partly because France has persisted in testing nuclear weapons there and is unwilling to grant independence to New Caledonia as demanded by indigenous Melanesian Kanaks. In addition, it was argued, U.S. insensitivity to regional interests had made it easier for external predators, among them the Soviet Union and Libya, to fish in troubled waters.

New Zealand's anti-nuclear policy, which prevented U.S. warships from visiting, caused the breakdown of the ANZUS mutual defense treaty. Wellington's policy was intended to cultivate a special bond with the smaller, nuclear-shy states of the

South Pacific which make up New Zealand's security environment. That environment has been violated by Lieutenant Colonel Sitiveni Rabuka's dispatch of democratic government in the name of ethnic nationalism. In contrast to Mr. Lange's declared fears, the villain of the piece has not been an external meddler but a Sandhurst-trained Fijian officer. New Zealand, a country ruled by descendants of European settlers where Maori land rights remain an issue, is not in a position to take a lead as regional policeman, even if its military capability permitted such a role. It can only foster political stability through dealing with established governments. Such a practice is almost certain to be politically distasteful. But it has more tangible relevance to regional security than tilting against the windmills of the nuclear powers.

— Michael Leifer, a professor of political science at the National University of Singapore, contributed this comment to the International Herald Tribune.

IN OUR PAGES, 75 AND 50 YEARS AGO

1912: A Boy Aviator

MILWAUKEE — Farmus T. Fish, a boy aviator, flew here from Chicago recently in a Wright biplane, carrying a consignment of silk for a department store. He made the journey in two hours and six minutes, landing safely in Lake Park, and was greeted by a tremendous crowd. Fish, who is 18 years old and a native of Los Angeles, received his pilot's license the Wright School, Dayton, Ohio, in 1910. Fish was flying at 6,000 feet. He descended the last five miles. Experiments with hydro-aeroplanes are taking place off Saint-Raphael, M. Collier, again flew from the deck of the French cruiser Foudre, carrying a passenger and 220 kilograms of extra weight. He rose to a height of over 100 metres.

1937: The Duke Marries

MONTS, France — Former King Edward VIII of England at noon today [June 3] married Mrs. Wallis Warfield, for whom he gave up approval of the country of which he was once King or the church of which he was once titular head, the Duke of Windsor married the American-born woman of his heart, first in a French civil ceremony, then with all the ritual of the Anglican Church. LONDON — There was deadly silence in the House of Commons when Jock McGovern, Independent Laborite, said: "May I ask the Prime Minister if the government has already decided or if not it is considering sending a message of congratulations to the Duke of Windsor on his wedding?" No one even murmured. Neville Chamberlain did not reply.

ملحقنا من الامارات

OPINION

This AIDS Debate Needs A Needle of Straight Talk

By George F. Will

WASHINGTON — Earnestly, and with applause from journalists, politicians are saying about AIDS: candor, regardless of the cost. But truths are being blurred because they inconvenience a political agenda and shock sensibilities. The agenda is to avoid giving offense to certain factions and to avoid something more terrifying than AIDS — the accusation of "discrimination."

Coercion Isn't the Answer

THE disease is fatal, it has no cure or even a successful treatment and it is communicable. Worse, it is heavily stigmatized by prejudice toward homosexuality. In a situation of panic, and with an easily identifiable scapegoat group available, people grasp at what seem to be simple and clear-cut answers. The assumption is intuitively made that forced, testing will be effective in preventing the spread of the AIDS virus. In fact, mandatory testing would only drive people away from health authorities.



BARBIE'S DOLLS BY CUMMINGS. Wirephoto Free Press. C&W Syndicate.

Miracle on Broadway: An Unstolen Car

By William E. Geist

NEW YORK — A late-model Volkswagen Rabbit — No Rust, Rust Good! — is parked on Broadway at 104th Street with the keys in it, if you'd like one. It has been sitting there, unlocked, for eight days.

oo the corner as two young men slowly circled the car, kicking the tires and running their hands over the upholstery as if they were on a used car lot.

MEANWHILE

he were a car salesman. He can sound like one, too, noting that it would cost \$12,000 oow and adding: "It's in good condition. There is no reason not to steal it."

LETTERS TO THE EDITOR

Friendliness Out There?

In response to "Experts Tell Why Stark Was Vulnerable" (May 23):

The revised operational rules in the Gulf, permitting patrolling U.S. warships to shoot at potentially hostile aircraft before the "whites of the pilot's eyes" come within range, will not reduce the risk of more American service wives and families becoming peace-time mourners, as have the hapless relatives of the 37 servicemen aboard the Stark.

of German E-boats which had penetrated English territorial waters, swooping on an undefended U.S. flotilla rehearsing the Normandy invasion and killing or wounding 630 U.S. servicemen in 15 minutes. The marauders were never caught.

No doubt Mr. Lewis would subscribe to the principle that terrorism should be opposed because of its intrinsic viciousness, regardless of what ends it is designed to serve. But it is widely understood that Foreign Offices are motivated by *raison d'etat*, not by moral outrage.

Newspaper Ethics

Regarding "Even a Big Story Isn't Worth Such Scuttling in the Dark" (May 2) by A.M. Rosenthal:

While I agree that The Miami Herald had no business snooping around Gary Hart's Washington townhouse, I wonder why Mr. Rosenthal considers those tactics to be more distasteful than, say, retaining stolen property. It was during his tenure as an editor that The New York Times published the "Pentagon Papers."

Something in Turkey's Air

As an American and the managing director of a company that is the product of a joint venture between well-known U.S. and Turkish companies, I am impressed by the Herculean effort by Prime Minister Turgut Ozal to open to the world the infinite number of opportunities in Turkey. It is due almost entirely to the American company's confidence in Mr. Ozal's leadership that it

made the decision to invest in Turkey. All of the other reasons for investing (crossroads of three continents, natural beauty, Turkish hospitality and vitality, natural resources) have always been present. What had been missing was political stability and economic viability.

Soon after my latest arrival I learned that my company was not alone in its enthusiasm. As I was in and out of the offices of the Turkish joint venture partner during my first week, I heard spoken by countless visitors — and, I might add, by many members of the Turkish firm — English, Japanese, Italian, German, French, Spanish and Arabic. Right there I should have been prepared for the business boom I was to witness.

F. PAUL BUTLER, Istanbul.

Audi 80. And now read what yours hasn't got.



One look at the Audi 80's attractive, compact form is enough to show you what makes it so unique in its class. But it's what you don't see that makes it a typical Audi.

Take its fully galvanized body, for example. The best long-term protection against corrosion. A benefit you'll appreciate, particularly when you come to sell.

Or its superior aerodynamic qualities: drag coefficient 0.29. A figure most cars in its class can't get anywhere near. This makes the Audi 80 even more economical. And quieter.

Inside, the Audi 80 is surprisingly roomy for a compact car. With

the largest internal dimensions in its class. The cockpit is taken around into the door trims. Which gives the passengers a feeling of integral harmony. Its running gear is impeccable. With 14 inch wheels and equally generous brakes.

And the Audi 80 is a pleasure to drive — directionally stable, well-mannered and safe. Be it in city traffic, on the motorway or on winding country roads.

The Audi 80 is unusually versatile, as well. With one of the largest selection of engines in its class — from the diesel with 40 kW (54 bhp) up to an injection engine with 83 kW (113 bhp) — all reliable, economical and long-lived.

As you can see, there are lots of good reasons why you should test-drive the Audi 80. At your V.A.G. dealer.



Vorsprung durch Technik

Audi 80

after 1967, are much more prone to

the system on cold instead of hot. ...posals will figure as a major bar-

Intelligence Officials Say Arms Inspections Must Exempt Some U.S. Sites

By R. Jeffrey Smith
Washington Post Service

WASHINGTON — U.S. intelligence officials have told the White House that certain intelligence installations must be exempted from the on-site inspection provisions of arms treaties being negotiated in Geneva, according to senior U.S. officials.

Officials from the Central Intelligence Agency, the National Security Agency and the Federal Bureau of Investigation contended that the risk of allowing Soviet inspectors at their intelligence-gathering facilities would outweigh the benefits of access to military sites in the Soviet Union.

President Ronald Reagan has not made a decision on the proposal, which has been vigorously disputed within the administration.

Several officials with knowledge of the dispute said Tuesday that administration acceptance of the proposed exemptions would be a significant retreat from arms-control policy.

The administration has long insisted that compliance with arms-control agreements cannot be verified unless the United States and the Soviet Union can inspect the sites of suspected violations on short notice, without exception.

That requirement was included in a 1984 U.S. draft treaty banning chemical weapons, largely at the behest of the Defense Department. The department opposes granting any exemptions for such on-site inspections.

U.S. officials also planned to include the requirement in draft U.S. treaties on strategic weapons and medium-range missiles in Europe at the Geneva negotiations.

In opposing the requirement, an official said, the intelligence agencies fear that Moscow might request access on short notice to sensitive facilities where the United States is developing countermeasures to Soviet weapons and intelligence gathering.

The intelligence agencies have proposed that treaty language be drafted broadly enough to exempt hundreds of sites where foreign intelligence is collected and analyzed, including agency headquarters in the United States and remote listening posts in Europe.

Other agencies have proposed that the language be drafted broadly enough to include only a few dozen of the most vital U.S. installations.

The dispute arises as Soviet officials have apparently dropped their longstanding opposition to on-site inspections. In the proposed agreement on chemical weapons, Moscow has endorsed inspections of facilities on short notice. U.S. negotiators have said they hope Moscow will also accept short-notice inspections in missile accords.

U.S. intelligence officials say they believe Moscow probably would welcome exemptions because it has continued to insist on more limits on on-site inspections than Washington has favored.

Proponents of changing the policy say exemptions would eliminate what some Western officials fear could become a stumbling block to agreement on medium-range missiles in Europe.

The U.S. intelligence community fears that Moscow might learn too much about intelligence-gathering technology by inspecting sensitive sites under the guise of checking on potential treaty violations.

However, opponents of the ex-

emptions contend that once the principle of exemptions is accepted, the Soviet Union might be able to hide treaty violations by claiming that the sites of such violations are sensitive intelligence-gathering facilities.

State Department officials, meanwhile, said Tuesday that Secretary of State George P. Shultz and the Soviet foreign minister, Eduard A. Shevardnadze, might meet this summer to try to push forward an agreement on medium-range missiles.

In the missile talks, both sides have agreed in principle to "routine" inspections of installations that both acknowledge have been used to build or store missiles.

The proponents of the exemptions for intelligence facilities contend that these are the most important on-site inspections, and that they should be allowed under any new agreement.

However, Defense Department officials have contended that once category of exempted facilities is created, Moscow will contend that every site of a suspected violation that the United States demands to inspect is in the exempted category.

Thousands Pay Tribute To Karami

United Press International

TRIPOLI, Lebanon — Thousands of mourners, including Lebanese and Syrian officials, paid homage to Rashid Karami at a funeral procession Wednesday.

The prime minister, 65, was killed Monday by a bomb that exploded aboard an army helicopter en route to Beirut from Mr. Karami's summer home northeast of the capital.

The funeral for Mr. Karami, a pro-Syrian politician, was attended by ambassadors from the Soviet Union, Britain, France and Italy, as well as a number of Christian cabinet ministers, Parliament deputies and religious figures.

Sayed Musa, the pro-Syrian Palestinian leader known as Abu Musa, and Vice President Abdel Halim Khaddam of Syria were present, and acting Prime Minister Salam al-Hoss represented President Amin Gemayel.

Nabih Berri, the Lebanese justice minister and leader of the Shiite Amal movement, was not present.



Beirut residents hold up portraits of Rashid Karami, who was killed Monday.

Deadlock Leaves Israel With No Envoy in U.S.

New York Times Service

JERUSALEM — Israel no longer has an ambassador to the United States and may not have one for months.

The assignment of Meir Rosenne expired Monday, and Prime Minister Yitzhak Shamir and Foreign Minister Shimon Peres have been unable to agree on a successor.

The disagreement, which has deeply embarrassed Israel's leadership, is only the latest manifestation of the decision-making deadlock bobbing the coalition government.

While Mr. Shamir, Mr. Peres and their cabinet colleagues continue to operate the bureaucracy, the cabinet has no agenda. It seems to be only a matter of time before new elections will be required.

"I would not be surprised if there is no ambassador for months," said a senior official. "This could actually become one of the key issues that finally breaks up the government."

The Israeli press expressed embarrassment over the fact that Israel, which receives \$3 billion a year in U.S. military and economic aid, more than any other ally, will not be represented by an ambassador in Washington.

The newspaper Ha'aretz said:

"Israel cannot afford this procrastination. The inability to man the position damages the country's status in the American public arena."

Mr. Rosenne, who went to Washington in 1983, was appointed by Mr. Shamir. Although he is a career diplomat, it is widely considered to be "a Shamir man."

The chargé d'affaires, Oded Eiran, 46, former director of the Foreign Ministry's North America division, is to take over as Israel's senior diplomat in the United States. Mr. Eiran, also a career diplomat, is generally regarded as more sympathetic to Mr. Peres.

Senate Unit Disapproves Sale of F-5s to Honduras

Washington Post Service

WASHINGTON — The Senate Foreign Relations Committee has narrowly passed a resolution disapproving the Reagan administration's proposed \$75 million sale of 12 F-5 jet aircraft to Honduras.

The 10-9 vote Tuesday, along party lines, left in doubt whether Democratic supporters of the resolution could muster a majority for it on the Senate floor, let alone the two-thirds vote to override an almost certain presidential veto.

ISRAEL: Decades of Frustration and Bitterness Mark Palestinians' Struggle to Regain Lands

(Continued from Page 1)

where democracy has been slow to take hold.

For Palestinians, too, the radicalization of their cause has led to a different kind of cynicism. The history of the Palestinian movement is intertwined with an endless series of violent acts and shocking episodes of terrorism.

It is this image of Palestinian terrorism that has most damaged the Palestinian cause, particularly in the United States.

From the outset, each stage of the modern Middle East crisis has built on the previous one.

The brief war that followed Israel's statehood in 1948 pushed 800,000 Palestinian refugees off what they considered their traditional lands, in an area claimed and inhabited by both sides over the centuries.

Many of them were settled in camps in southern Lebanon, but the majority settled in Jordan. By May 1967, Palestinians 722,687 refugees in Jordan were registered with the United Nations.

Samir A. Mutawi, an adviser to King Hussein of Jordan, said, "In the two decades following the Arab-Israeli war of 1948, the Jordanian kingdom's failure to integrate fully the Palestinian refugees into the nation resulted in an insoluble problem for the government."

"Their miserable state and subsequent bitterness," Mr. Mutawi said, "made them susceptible to the propaganda of the radical Arab states such as Egypt and Syria, with resulting sporadic civil unrest."

Many of the refugees turned to the Palestine Liberation Organization, which was formed at the Cairo summit meeting of Arab states in 1964.

The PLO was created over the opposition of Hussein, who saw in its establishment a competing leadership among half of his subjects and a potential source of subversion against both Israel and his own regime.

Under its first leader, Ahmed Shukairy, the PLO was largely a propaganda organ, a creature of the radical Arab regimes of the day that helped whip up the war fever before the 1967 conflict.

But from the wreckage of the Arab armies' defeat emerged a new PLO leader, a former student organizer at Cairo University, Yasser Arafat.

Under Mr. Arafat, the PLO has developed both political and paramilitary arms. In the name of the PLO and its various factions, thousands of terrorist attacks have been launched against Israel, its diplomats abroad and against unarmed civilians worldwide.

Israel has always struck back and thousands of Palestinians have died in retaliation raids.

The 1967 Arab defeat gave Mr. Arafat an opening to step onto the world stage.

"I succeeded," Mr. Arafat said, "to shift the destiny of my people from refugee statistics into freedom fighters."

For Hussein, however, it was a dark period in Jordan's history. Hussein "feels he lost the West Bank and that's an awful thing because the Moslem shrines are there," said a Palestinian leader living in Jordan.

"This is very hard," he continued, "because you know these Arab leaders build themselves up that they are the descendants of Mohammed, and this is the worst thing."

The PLO has had a checkered performance on behalf of the Palestinians, yet its image and loyalty remain strong, according to a poll conducted last year in the occupied territories.

The PLO's critics say it has become an irrelevant holding operation, more determined to perpetuate its bureaucracy and leadership than in reaching a solution.

"I don't know that it has accomplished much," said Rashid Shawa, a former mayor of Gaza. "The PLO has made our case more known internationally, but locally it has lost. Israel has been able to put its hands on everything."

One of Hussein's advisers, a longtime critic of Mr. Arafat, said, "The most tragic aspect of the Palestinian problem is the PLO."

He said that Mr. Arafat's crime against the Palestinian people has been his claim that he represents a Palestinian "revolution" outside the country, where no revolution can exist because it is not tied to the land.

"The reason the West Bankers all say hail to Abu Amar," the Hussein adviser said, "is that he has relieved them of their historical obligation to resist the occupation." Abu Amar is Mr. Arafat's nom de guerre.

A former PLO executive committee member, Hana Masri, however, voiced what is still the most common Palestinian sentiment about the PLO.

"We all share moments of despair about its failures," she said. "We are loyal to the PLO not because we are stooges, but because this is our structure; it's like the United States with President Reagan: you may criticize him, but for better or worse, this is your country."

The competition for Palestinian loyalty in the occupied territories has put tremendous strains on local leaders, who, by their associations, run the risk of expulsion, assassination by rivals and accusations of collaboration.

Nobody wants leaders in the occupied territories," said Mahdi Abdul-Hadi, founder of the Arab Thought Forum in Jerusalem.

"The Jordanians want employees and not partners," Mr. Abdul-Hadi said. "Arafat wants followers, but not colleagues. And Israel wants collaborators and not equals with independence and self-esteem."

The passage of time and the escalating cycle of violence has prompted some Palestinian leaders to call for new tactics.

One such tactic, advocated by Mr. Nusseibah, is to "move from total rejection" of the Israeli system "to slowly getting into the system and making use of it." He contends that many Palestinians unconsciously have immersed themselves in Israel's economy and legal structure and, therefore, look for remedies in grievances there.

He cited a demonstration in Jericho recently in which Palestinian farmers demanded equal access to Israeli markets.

"They were not asking for the walls to be rebuilt," he said, "they were asking for the walls to be totally eradicated."

Other Palestinians have petitioned Israeli courts to fight deportation orders or land confiscation by Israeli settlers.

Under Mr. Nusseibah's prescription, Palestinians should demand annexation of the West Bank and Gaza and then petition Israeli courts for full rights of citizenship. The strength of the Palestinian birth rate would instantly make the Arab population a major political force in the country.

Skeptics see Mr. Nusseibah's plan as only a gimmick, but one that illustrates a growing assertion

of rights by Palestinians under Israel's legal code.

Another recent tactic has been nonviolent resistance to settlers.

"This is the only thing the Israelis concede could work," said Ms. Abbott. The Palestinian resisters "are actually pulling down fences and then the settlers come, they tell them, 'You can call the army and shoot us, but when people hear about it, they will know you are murderers.'"

But Ms. Abbott and others do not see nonviolence catching on.

"You'll never have a Palestinian Gandhi," said one expert. "It's not in Islam to be that passive."

A more practical, and thus far effective, strategy for resistance has been undertaken by Hatem Abu Ghazaleh, a surgeon in Gaza who built a center for the handicapped by ignoring occupation rules and regulations.

"I fight them by my brains," said Mr. Abu Ghazaleh. "I have developed a constituency inside the Israeli system: professors at Hebrew University, politicians in the Knesset."

He boasts that his center is the only Palestinian institution licensed by the U.S. government as a private voluntary organization eligible for U.S. aid dollars.

"The Israelis don't like me," Mr. Abu Ghazaleh said, "I stand up to them on every issue."

As the years have passed, the political, economic and social impact of living under occupation has been studied by many scholars.

Kerry Abbott, a doctoral candidate at the London School of Economics who has spent five years studying the conflict, said she finds Palestinians deeply cynical about their plight, self-absorbed with their lives and problems and virtually incapable of organizing an internal opposition to Israel's rule.

"People here aren't revolutionaries," Ms. Abbott said. "It's really easy for people here to end up fighting each other."

As for their loyalty to Arab leaders espousing their cause, Ms. Abbott said, "I think the Palestinians favor whoever is winning."

Palestinian youth learn the rhetoric of resistance at an early age, Ms. Abbott said, and are spurred to acts of random defiance during their impressionable years.

However, she said, countervailing pressures to finish school and support a family are the greatest moderators to organized resistance.

A number of Palestinian leaders have expressed growing concern that the "occupation generation," young Palestinians who were born after 1967, are much more prone to

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AT&T

U.S. Is Asked to Return Son of Cuban Defector

New York Times Service

WASHINGTON — Cuba has asked the United States to return the son of an air force general who defected to the United States last week, diplomats said.

The boy, Rafael del Pino López, 15, came with his father, Brigadier General Rafael del Pino Diaz, who flew a light plane from Cuba to Key West on Thursday. A spokesman for the Cuban interest section in Washington said Tuesday that the boy was General del Pino's son by a previous marriage and that courts had awarded custody to the mother.

DOONESBURY

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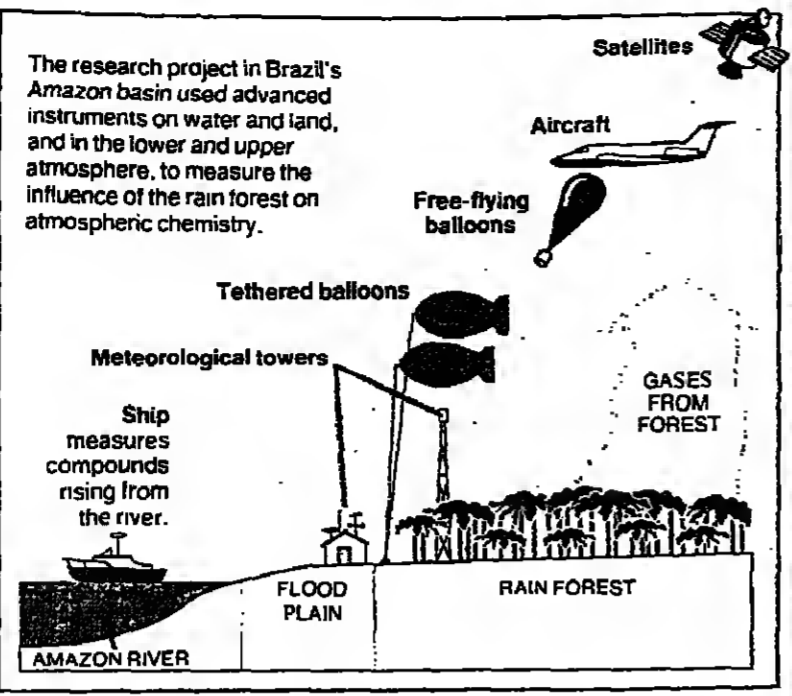
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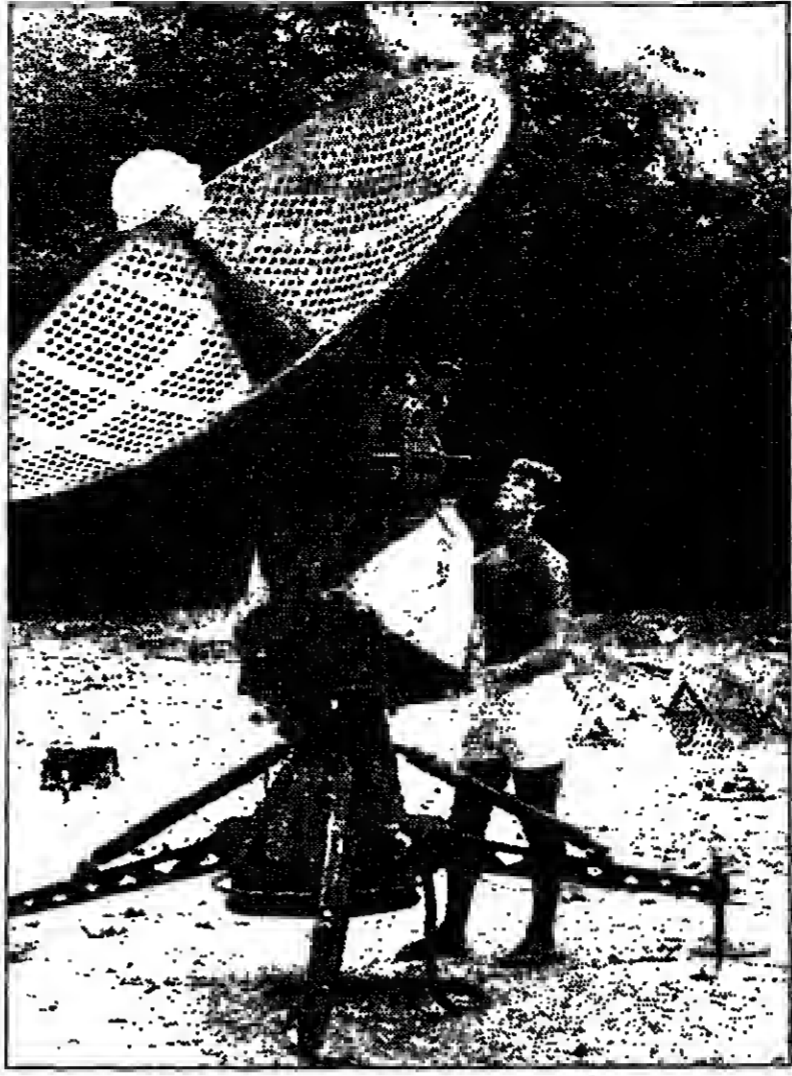
SCIENCE

Measuring Forest's Breath

By Marlie Simons
MANAUS, Brazil — Shortly after dawn, the Electra climbed above the Amazon basin, nudged through plumes and layers of steam, then bumped along just 500 feet above the jungle canopy. On board, a phalanx of scientists started probing the breath of the forest.



The research project in Brazil's Amazon basin used advanced instruments on water and land, and in the lower and upper atmosphere, to measure the influence of the rain forest on atmospheric chemistry. Methane emissions over the country's extensive rice paddies and the impact of the Gobi's dust storms. Industrial activities are producing carbon dioxide and other gases that trap heat like a greenhouse, raising the earth's temperature.



Ground station receives data from balloons.

"Nitrous oxide is an important gas influencing the ozone layer in the stratosphere," Steven Wolf of Harvard University said. "We found the emissions in the ocean and the Northern Hemisphere to be very small. They are very substantial here." But to infer the forest's total emissions, he said, would be complicated. "Heavy rains have a great effect on the soil," he said. "We found the emissions shut down and could take two days to come back up again."

IN BRIEF

Breast-Feeding Straightens Teeth
NEW YORK (NYT) — Breast-feeding may contribute to straighter teeth because it leads to different growth patterns in the mouth than those in bottle-fed babies, according to a study at the Johns Hopkins School of Public Health.

Pluto Found to Have Atmosphere
WASHINGTON (WP) — Pluto, long regarded as a second-class planet because of its small size, odd orbit and other features more reminiscent of an asteroid than a planet, may be due for a promotion.

Another Clever Trick of Spiders
WASHINGTON (WP) — The wiles of spiders are varied and infamous. They use disguises, snares, poisons and a variety of acrobatic jumps, swings and darts.

Measles Proves to Be Stubborn Foe
NEW YORK (NYT) — Elimination of measles from the United States is proving to be a more difficult goal than many specialists had expected. A decade ago, federal health officials announced a national goal of eliminating the infectious disease, by immunizing all children against the virus that causes it.

Table: NYSE Most Actives. Columns: Vol., High, Low, Last, Chg. Lists top active stocks like ChmIn, Hrg, AOT, etc.

Table: Market Sales. Columns: NYSE 3 p.m. volume, NYSE prev. close, NYSE 3 p.m. volume, NYSE prev. close, Amer. Rev. close, Amer. Rev. close, Prev. OTC 4 p.m. volume.

Table: NYSE Index. Columns: Composite, Industrials, Finance, Utilities. Shows high, previous, close, and today's change.

Wednesday's NYSE Closing. Via The Associated Press. Includes Dow Jones Averages and Standard & Poor's Index.

Table: AMEX Diary. Columns: Class, Prev., Close. Lists AMEX stock activity.

Table: NASDAQ Index. Columns: Prev. Trade, Week, Year, Close. Shows NASDAQ performance.

Table: AMEX Most Actives. Columns: Vol., High, Low, Last, Chg. Lists active AMEX stocks.

Table: Dow Jones Broad Averages. Columns: Bond, Industrials, Prev., Close, Today, Noon, Chg. Shows broad market averages.

Table: NYSE Diary. Columns: Advanced, Declined, Unchanged, Total Issues, New Highs, New Lows, Close, Prev. Lists NYSE trading diary.

Table: Odd-Lot Trading in N.Y. Columns: Date, Bid, Offer, Size, % of Total. Shows odd-lot trading data.

Table: Standard & Poor's Index. Columns: High, Previous, Close, Today. Lists S&P index components.

Table: Previous NASDAQ Diary. Columns: Class, Prev., Close. Shows previous NASDAQ trading.

Table: AMEX Stock Index. Columns: High, Previous, Close, Today. Shows AMEX stock index.

N.Y. Prices Up in Brisk Trading

NEW YORK — Prices on the New York Stock Exchange were sharply higher late Wednesday in active trading. The Dow Jones industrial average, which fell 10.01 points Wednesday, was up 35.49 to 2,313.71 points an hour before the close.

Table: NYSE High/Low/Stock. Columns: High, Low, Stock, Chg. Lists NYSE stock prices.

Advertisement for Evermann's Gold. Text: 'The Australian Nugget is the new way to invest in mar's oldest and surest store of financial wealth. Four uniquely different, 0.9999 fine gold bullion coins, minted and guaranteed by the Government of Australia.'

INTERNATIONAL MANAGER

To Boost Employee Energy, Phase Out the Chipped Beef

By SHERRY BUCHANAN
International Herald Tribune

LONDON — This month is "low in sodium" month at Tenneco Inc., the Houston-based oil company. Tenneco's cafeteria and executive dining rooms are offering foods cooked without salt for executives suffering from hypertension. Improved nutrition also is being emphasized at fitness-conscious companies such as PepsiCo Inc., Control Data Corp., Rank-Xerox Ltd. and Marks & Spencer PLC, some of which offer foods low in fat, sugar, sodium and cholesterol.

"People are eating better to feel better," said Eleanor Hellman, assistant manager of health and fitness at Tenneco's corporate headquarters, "compared to a few years ago when they were crash dieting with an 'I have to get back into that suit or dress size' attitude."

The idea that a properly fed worker will be more productive in his job is not new. Cadbury Ltd., the British chocolate maker, used to give its employees a cup of hot cocoa and a piece of bread in the morning in the belief that a well-fed worker was a better worker.

In "Managing Your Mind and Mood Through Food," Judith J. Wurman, a nutrition expert, tells the story of a woman executive who scored over her opponent while negotiating at lunch by watching him eat an entire loaf of bread while she abstained. Certain nutritionists say that excess carbohydrates reduce a person's alertness and energy.

Numerous other writers are telling executives how to improve their health by eating a balanced diet, counting calories, taking vitamin supplements and cutting down on potentially harmful substances such as salt and caffeine.

Even etiquette writers have become nutrition-conscious. Laetitia Baldridge, author of "The Complete Guide to Executive Manners," suggests adding raw vegetables to an office lunch of sandwiches or pizza because it makes such foods more presentable and more nutritious.

No company has made certain food habits mandatory. Only the military has come close. To improve the nutrition and health of the American soldier, the U.S. Army Master Menu specifies that mess halls remove certain favorites from mess halls.

THE LIST includes fried chicken, fried fish, fried and creamed potatoes and whipped toppings on desserts. It is also increasingly hard to find creamed chipped beef in an army canteen. This specialty, described by an army spokeswoman as S.O.S., or something on a shingle, is fried hamburger covered in a white cream sauce and served on a piece of toast.

Corporate fitness officers, who probably fear a mutiny if they deprive their employees of junk food, are giving their employees a freedom of choice rather than removing high-calorie foods from canteens. "The cafeteria has all the choices because that's the way the real world is," said Mrs. Hellman of Tenneco. "The point is to show people the alternatives to chocolate sundaes."

Companies also have devised competitive programs to encourage people to eat better. Twice a year, Tenneco stages its Fat Chance Olympics, in which teams score points for eating the right foods, exercising and losing a maximum of two pounds (900 grams) a week. Crash dieting is discouraged; if participants lose more than two pounds in a week, they receive no extra points.

The nutrition craze has yet to take on in Britain to the extent it has in U.S. companies. But British executives are particularly concerned about the change to low-sodium and about cutting down on cholesterol, according to Dr. Andrew Melhuish, general practitioner who lectures on stress management at Henley Management College. High cholesterol levels have been linked to heart disease.

"Nutrition will become more important" in Britain, Dr. Melhuish said. "Right now we are still trying to get executives to cut down on smoking and alcohol."

But to avoid a junk-food mutiny, most firms stress freedom of choice.

Volcker: A Success Story With an Abrupt Ending

A Crisis Manager Who Tamed the Dollar, Inflation

By Peter T. Kilborn
New York Times Service

WASHINGTON — Paul A. Volcker's legacy is an economy that he and he alone freed from its worst predicament since the Depression: the long-brewing inflation that had turned virulent as he was taking office at the end of the 1970s.

The durability of Mr. Volcker's contributions as chairman of the Federal Reserve Board is uncertain. In his eight-year tenure, he proved an astute political gamesman and crisis manager, not a reformer. With real success, he battled the gyrations of the dollar, the crisis over Latin American debt and the collapse of Continental Illinois National Bank three years ago.



Paul A. Volcker, the Fed chairman, right, with Alan Greenspan, who has been nominated to replace him.

But many of the underlying fundamentals that gave rise to those problems, such as the troubled banking system, the weak economies of the Third World and the volatile financial markets, remain largely unchanged.

Yet in subduing the inflation that reached levels of 12 and 13 percent, Mr. Volcker probably achieved more than any of his predecessors. Inflation so menaced the economy that critics on the left and the right praise him far more than they fault him for the toll he extracted: the highest interest rates since the American Civil War and a recession that was longer and harsher than economists, in hindsight, say was necessary.

"He was probably the most qualified person ever to serve in that position," said William Niskanen, who was a member of the Council of Economic Advisers during President Ronald Reagan's first term.

"It is a serious loss for the country," said Senator William Proxmire, Democrat of Wisconsin. He is chairman of the Senate Banking Committee, which oversees the Fed, and has been a committee member for 30 years.

Mr. Volcker, whose departure was announced Tuesday, has been a colossus on the stage of the

world economy. He was often called the "second most powerful in the United States" after Mr. Reagan and was more respected in many countries than the president. Mr. Volcker, 59, is a towering figure who stands 6-foot-7 (2.02 meters) and wears rumpled suits that formerly were often flecked with ashes of the cheap cigars he now eschews.

His public comments — comments that he has said he considered innocuous — have often struck those who monitor such pronouncements as riddles loaded with hidden meanings. Often his remarks have sent markets into turmoil, to his chagrin.

"We find ourselves reacting to market reactions to our own statements," he once said, yet he also has said that he feels compelled to speak ambiguously to discourage overreaction in the markets.

Mr. Volcker took over as Fed chairman in August 1979. The following October he announced a stunning change: The central bank would abandon its policy of setting interest rates in trying to guide the economy and would seek instead to slow the then-rapid growth of the money supply.

This was a dramatic shift because it meant that interest rates could go sky high, as they eventually did. The rates — some exceeded 20 percent — suffocated borrowing and shoved the economy into a brief recession in 1980 and a big one in 1982-83. With these, the cycle of endlessly rising prices was broken.

Consumer prices, which surged 12.4 percent in 1980, have not risen more than 4 percent annually in the last five years. (They rose only 1.1 percent in 1986.)

In the last half of 1982, in the face of widespread evidence that the recession was proving worse than the Fed had expected, Mr. Volcker began abandoning tight control of the money supply. See VOLCKER, Page 15

Fed Chief Saw Reagan Silence As Reluctance

By Gerald M. Boyd
New York Times Service

WASHINGTON — When Paul A. Volcker met early last week with Howard H. Baker Jr., the White House chief of staff, he delivered a message without equivocation. After two terms, he wanted out as the chairman of the Federal Reserve Board.

But no one, including Mr. Baker and President Ronald Reagan, thought he was serious. That conclusion prompted several days of behind-the-scenes drama that ended Tuesday when Mr. Reagan announced that Mr. Volcker would not stay on when his term expires in August.

White House officials, replaying the drama, provided these details:

- While Mr. Volcker had reason to think that Mr. Reagan would reappoint him, he never heard this directly from the president. Mr. Volcker apparently interpreted the president's silence as a sign that while Mr. Reagan did not want to dismiss him, but did not really want him to stay on.
- The process leading to the selection of a new Fed chairman, which had been a source of speculation for months, took place in less than a week. Howard Baker had the key role, first in trying to dissuade Mr. Volcker from leaving, then in the selection of the New York economist Alan Greenspan over two other candidates: Beryl W. Sprinkel, the current chairman of the President's Council of Economic Advisers, and John C. Whitehead, the deputy secretary of state, Treasury Secretary James A. Baker 3d also played a role.
- Mr. Reagan chose Mr. Greenspan nearly on the spot, offering the job to the former chairman of the Council of Economic Advisers about an hour after receiving Mr. Volcker's resignation. Mr. Greenspan was Mr. Volcker's first choice.

Officials said the first indication See CHRONOLOGY, Page 15

Norway to Seek More Authority Over Bourse

OSLO — The Norwegian government will propose stepping in to help run the Oslo stock exchange, senior officials in the bourse said Wednesday, in a move that would back a worldwide trend towards less regulation of financial markets.

Bourse officials said that one of the proposals would grant the government the right to name five members of the bourse's ruling board, with three others to be named by the private sector. Such a move would give the government the effective right of veto and the power to set stock exchange rules.

The stock exchange and the government have been researching ways to reform the bourse for more than two years. But officials on the exchange who declined to be identified said that the proposal for increased government control was submitted only in April, in a draft sent to the bourse.

A Finance Ministry spokesman declined comment on the proposals other than to say that they would be published on Friday. He said that the proposed rules were designed to replace the last set of stock exchange laws, which were approved in 1931.

Bourse officials said the government had not specifically informed them that it was dissatisfied with the stock exchange's system of regulating itself.

Only about 60 million kroner (\$8.92 million) worth of shares is traded daily on the Norwegian exchange. The exchange has so far been left to run itself, although rules on foreign ownership of shares are fairly strict.

Nevertheless, foreign interest in such companies as Norsk Hydro AS, the chemical, energy and plastics conglomerate, and Norsk Data AS, the computer maker, has been strong.

Stockbrokers said that the minority Labor government might encounter obstacles in trying to enact its proposals.

The government of Prime Minister Gro Harlem Brundtland has met with little resistance from the parties of Norway's former center-right coalition since she came to power in May 1986. The opposition has had difficulty agreeing on which issues should be used to assail her government.

But the government can probably expect that the Conservative Party, the largest of the partners in the former coalition, would strongly oppose government interference with the stock exchange.

In another development, a parliamentary finance committee summoned Norway's central bank governor and finance minister to testify on a dispute between banks and the government centering on a

tough secondary reserve requirement for lending.

Banks and the central bank want the requirement scrapped, largely because it restricts banks faced with high loan demands. Bankers believe that the reserve requirement, adopted by the government to brake demand for loans, simply pushes up interest rates.

Bonn Sets Funding for Airbus Jets

BONN — The West German cabinet decided Wednesday to grant financing worth about 4.9 billion DM (\$2.7 billion) to Airbus Industrie so that the European consortium can build a new generation of airliners, officials said.

The decision follows agreements by France and Britain, whose major aerospace companies also form part of the consortium, to help finance the medium-range A-330 and long-haul A-340 aircraft.

Erich Riedl, the West German state secretary for economics, said that Bonn would allocate 2.996 billion DM to help develop the new airliners. It also will take over 1.9 billion DM in debt held by Deutsche Airbus GmbH, the West German wing of the consortium.

Airbus required a guarantee of government assistance before it could start manufacturing the airliners, which would compete with new models by McDonnell Douglas Corp. and Boeing Co. of the United States. The European subsidies are opposed by the U.S. government, which argues that they are unfair.

Deutsche Airbus had sought 7 billion DM in subsidies from the government.

Bonn decided not to make finance available for production costs, Mr. Riedl said. He said that the government hoped that West German industrial companies directly involved in the program, such as Deutsche Airbus and Dornier GmbH, would receive the funds needed for production from their own parent companies.

He also spoke of the possibility that such parent companies would broaden their shareholding base. The government has been trying to pressure West German industry into taking a stake in Messerschmitt-Bölkow-Blohm GmbH, the parent of Deutsche Airbus.

Airbus says it has booked 87 orders, including options, for the A-340, and 41 for the A-330.

Tainted Cigarettes Could Harm U.S. Sales in Japan

By Susan Chira
New York Times Service

TOKYO — The discovery on Wednesday that 16,000 cases of Winston Lights cigarettes shipped to Japan contained illegally high herbicide levels could threaten a huge effort to sell American cigarettes in Japan.

The cigarettes, which contained higher levels of the herbicide dicamba than permitted by U.S. law, were not sold to Japanese consumers, although some 45,000 packs

were distributed to retailers as samples.

R.J. Reynolds Tobacco International, the distributor of Winston Lights, said that dicamba presented no health hazards, an opinion the company said was seconded by the U.S. Embassy here.

But other tobacco companies and some consumer groups are concerned that the publicity could shake Japanese confidence in the quality and safety of American tobacco, just as sales of imported cigarettes are on the rise.

American tobacco companies have been battling for years to break into the Japanese market, estimated to be worth at least \$500 million a year in U.S. exports. Two years ago, Japan ended the monopoly of the government-owned Japan Tobacco Inc. but high tariffs still frustrated efforts.

American manufacturers won an important victory in October, when Japan agreed to eliminate tariffs of more than 20 percent on imported cigarettes as of this April. Over last year, imports of foreign cigarettes have increased by 54 percent, with 80 percent of foreign cigarettes imported from the United States.

Philip Morris, which by some estimates has 70 percent of the imported cigarette market, issued a statement that all its cigarettes

meet all U.S. government requirements. Some Japanese consumer groups, including the powerful Japan Housewives' Association, expressed concern about the reports.

A spokesman for Japan Tobacco Inc. said the company had been receiving calls about Winston Lights. "As a tobacco company, we want to learn a lesson from this issue, because even though it is said that the harm to health is negligible, keeping credibility about safety is important because tobacco is an image product," the spokesman said.

R.J. Reynolds is taking pains to reassure the Japanese public to try to allay fears about its products. Keith M. McCulloch, a vice president of R.J. Reynolds International, said that as soon as he found out about the herbicide levels, he ordered that all cases be held in warehouses and new cigarettes be air-freighted to Japan.

But he did not recall the cigarettes that had been distributed to retailers because to do so "would create unnecessary confusion and concern."

Although the company found out about the herbicide levels on March 19, officials did not tell Japanese authorities until May 21, after U.S. government officials had notified Japanese officials of the herbicide levels.

Mr. McCulloch said the company was under no legal obligation to tell Japanese officials, because the herbicide levels were not illegal in Japan.

He added that the United States limits the use of dicamba for quality more than health reasons. The herbicide tends to cause tobacco leaves to ripen early, making it appear as though they are of higher grade as tobacco.

In April, the first month Winston Lights were introduced to Japan, retailers ordered 63 million cigarettes. It is too early to tell what effect on sales the publicity about the herbicide will have, he said, but most retailers do not appear to be canceling their orders.

"Clearly, some of the reports read by Japanese consumers will not help our launch of the product," he said. "We are attempting to put the facts clearly in front of consumers and then it is up to the consumer to make his mind up."

Currency Rates

Cross Rates	June 3
Amsterdam	163.5
Brussels	27.45
Frankfurt	1.948
London (to)	1.6425
Madrid	167.20
New York (to)	0.8998
Paris	6.55
Stockholm	142.75
Zurich	1.8975
1 ECU	1.3496
1 SDR	1.7305

Costas in London and Zurich. Italians in other European centers. New York rate of 3 P.M. (to) Commercial time (to) America needed to buy one dollar. (to) Units of 100 (to) Units of 1000 (to) Units of 10000 N.L.S.; not quoted; N.A. not available. (to) To buy one pound: S.A.S.1.625

Other Dollar Values	June 3
Area, austral	1.615
Australia	1.4886
Canada	1.244
Doll. N.S.	37.58
British crown	34.63
Swedish	1.2429
Swiss franc	1.7271
Denmark krona	4.785
Spain, peseta	2.1857
5 Shillings	1.1078

Sources: Reuters (London); Bank of Tokyo (Tokyo); IMF (SDR); BAII (Paris); Bank of Montreal (Montreal). Other data from Reuters and AP.

China Posts Narrower Trade Deficit

BEIJING — China's foreign trade picture is improving dramatically this year amid increases in textile exports and the prices of oil and gold, the official press and Western diplomats said Wednesday.

China reported a trade deficit of \$1.7 billion in the first four months of 1987, compared with a \$4.5 billion deficit in the corresponding period last year.

The official press also reported that China's combined deficit in 1985 and 1986 was almost \$26 billion, slightly less than earlier estimates showing a deficit of \$14.9 billion in 1985 and \$14 billion in 1986.

A Western diplomat attributed the narrowing of the deficit to surging demand for Chinese textiles and higher world prices for oil. Those products are the country's most important exports.

The official China Daily newspaper said that textile exports brought \$3 billion in export earnings in the first five months of 1987, up 40 percent from the comparable period in 1986.

The newspaper attributed the expanding demand and higher prices to an improvement in the quality of Chinese goods.

Oil provided one-fifth of China's export earnings in 1986, the official press said. It said that the price slump last year to a low of about \$10 a barrel cost China \$3 billion.

Industry sources estimated China's annual gold output was 63 metric tons (71.65 short tons), making China one of the world's largest producers. A Western diplomat said he believed that China had increased gold exports this year.

Figures on gold output and exports are not published in the official press. Nor is gold included in customs statistics.

Gold dealers in Hong Kong said that about 15 tons of gold was shipped from China to Hong Kong last year, both legally and illegally, and that China used the colony mainly as an entrepot.

meat all U.S. government requirements. Some Japanese consumer groups, including the powerful Japan Housewives' Association, expressed concern about the reports.

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Interest Rates

Reserve Deposits	June 3
1 month	7 7/8%
2 months	7 7/8%
3 months	7 7/8%
6 months	7 7/8%
1 year	8 1/8%

Key Money Rates	June 3
Discount rate	5 1/2%
Prime rate	6 1/2%
Federal funds	6 1/2%
Call money	6 1/2%
3-month Treasury bills	6 1/2%
6-month Treasury bills	6 1/2%
3-month CD's	6 1/2%

Asian Dollar Deposits	June 3
1 month	7 1/2%
3 months	7 1/2%
6 months	7 1/2%
1 year	8 1/2%

U.S. Money Market Funds	June 3
Merrill Lynch Ready Assets	6.13
30-day average yield:	
Telocator Interest Rate Index:	6.711

Gold	June 3
A.M.	454.75
P.M.	453.75
Chgo	453.75
London	453.75
New York	453.75

Sources: Morgan Guaranty (Dallas, DM, SF, P.M.); Reuters (London); Reuters (SDR). Rates applicable to interbank deposits of \$1 million minimum (for equivalent).

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1987

PSA OFF TO A FAST START

CAPITAL INCREASE

Issue of shares with warrants

SHARES:
Number of shares to be issued: 1,573,861
Number of shares to be issued: 1,573,861
Number of shares to be issued: 1,573,861

WARRANTS:
Effective July 1, 1987 and through December 31, 1990, each warrant entitles the holder to purchase a new Peugeot SA share for FF 1,700.

Free share distribution

This June 29, 1987 Shareholder Meeting will be asked to authorize a free share distribution at the rate of one new share for every five existing shares based on the number of shares outstanding following the capital increase.

The newly issued shares will thus qualify for this distribution on the same basis as older shares.

Balo du 1^{er} Juin 1987, vice COB n° 87-195 du 26 mai 1987

PEUGEOT SA.

Wednesdays NYSE Closing. Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Financial market data tables including NYSE, AMEX, and OTC listings with columns for stock names, prices, and volume.

INTERNATIONAL POSITIONS

FAO logo and text: The Food and Agriculture Organization of the United Nations (F.A.O.) invites applications for a post of INFORMATION OFFICER at its Headquarters in Rome.

SENIOR MARKETING AND SALES EXECUTIVE. An established international defense monthly seeks A senior field advertising sales executive for Europe.

DIRECTOR OF MARKETING EUROPE. From office located in Brussels, Belgium, is responsible for directing all activities related to the solicitation of cargo for the Ports of Virginia in Europe, Africa, and the Middle East.

INTERNATIONAL OPPORTUNITY. POSITION: Vice President, Directory & Yellow Pages. QUALIFICATIONS: At least 10 years of direct international marketing experience in Directory and Yellow Pages.

SmithKline Beckman CORPORATION. Corporate Medical & Regulatory Affairs, Worldwide Compliance has immediate openings in its Clinical Compliance Europe Group located in Paris in France, for CLINICAL COMPLIANCE AUDITORS.

CJA RECRUITMENT CONSULTANTS GROUP. 3 London Wall Buildings, London Wall, London EC2M 5PJ. Tel: 01-588 3588 or 01-588 3576. Telex No. 887374 Fax No. 01-256 8501.

INTERNATIONAL POSITIONS appears every THURSDAY

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TOXICOLOGIST REPORT EDITOR REVIEWER. LOIRE VALLEY - FRANCE. We are looking for a very experienced toxicologist/pharmacologist.

HEADS OF UNIT - CAMPAIGN AND MEMBERSHIP. Amnesty International is looking for two people to head new units responsible for membership development and campaigning. One will head a team of 15 responsible for developing a worldwide network of members.

Handwritten note in Arabic script: هذا من الاصل

Wednesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

12 Month High	Low	Stock	Div. Yld. PE	52 Wk High	Low	Close	Chg
32 1/2	29 1/2	DynCorp	2.31 9.2	48 1/2	32 1/2	33 1/2	+1 1/2
32 1/2	29 1/2	DynCorp	2.31 9.2	48 1/2	32 1/2	33 1/2	+1 1/2
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INTERNATIONAL FUNDS (Quotations by Funds Listed) 3rd June 1987

Not stated value quotations are supplied by the Funds listed with the exception of some quotes based on issue price.

ALM MANAGEMENT	INTERNATIONAL (INCOME) FUNDS	G.T. MANAGEMENT (USD) LTD.	Pacific Int. Fd. G.A.
Alm-Hill Trust S.A. \$ 29.84	(1) Short Term Int. Acc. \$ 1.02	(1) G.T. Amelco Fund \$ 14.24	(1) Pacific Int. Fd. G.A. \$ 14.20
Alm-Hill Trust S.A. \$ 29.84	(2) Short Term Int. Acc. \$ 1.02	(2) G.T. Amelco Fund \$ 14.24	(2) Pacific Int. Fd. G.A. \$ 14.20
Alm-Hill Trust S.A. \$ 29.84	(3) Short Term Int. Acc. \$ 1.02	(3) G.T. Amelco Fund \$ 14.24	(3) Pacific Int. Fd. G.A. \$ 14.20

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Wednesdays NISE Closing

Tables include the notations prices on the closing on Wall Street and do not reflect late trades elsewhere.

Table with columns: 12 Month High, Low, Stock, Div. Yld. PE, Close, Open, High, Low, Close, Change. Lists various stocks and their performance.

(Continued)

Continuation of the stock market table from the previous section, listing more stocks and their prices.

Table with columns: 12 Month High, Low, Stock, Div. Yld. PE, Close, Open, High, Low, Close, Change. Lists various stocks and their performance.

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(Continued)

Continuation of the stock market table from the previous section, listing more stocks and their prices.

U.S. Futures

Via The Associated Press

Table with columns: Season, High, Low, Open, High, Low, Close, Change. Lists various futures contracts.

Grains

Table with columns: Season, High, Low, Open, High, Low, Close, Change. Lists various grain futures.

Wheat

Table with columns: Season, High, Low, Open, High, Low, Close, Change. Lists various wheat futures.

Grain

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Metals

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NYSE High-Lows

Table with columns: Stock, High, Low, Change. Lists various stocks and their daily high and low prices.

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Plan Should Ensure Japan Meets Its Growth Target, Official Says

TOKYO — Japan's new economic package marks the first step in the restructuring of the country's economy and should ensure that growth this year and next meets government forecasts, Tetsuo Kondo, Japan's economic planning minister, said Wednesday.

European Air Carriers Report Strong Recovery

BRUSSELS — Major European airlines, whose 1986 results were hurt by a sharp drop in the number of Americans flying to Europe, reported a strong recovery Wednesday and forecast higher profits for this year and next.

South Africa's Budget Up 16%

CAPE TOWN — South Africa's finance minister, Barend du Plessis, announced Wednesday a 46.9 billion rand (\$2.4 billion) budget for the coming fiscal year, a figure that is 16 percent above government spending in the current fiscal year.

Paris Commodities

Table with columns: Commodity, High, Low, Close, Change. Lists various commodities and their prices in Paris.

London Commodities

Table with columns: Commodity, High, Low, Close, Change. Lists various commodities and their prices in London.

Dividends

Table with columns: Company, Dividend, Yield. Lists various companies and their dividend payments.

Spot Commodities

Table with columns: Commodity, Price, Change. Lists various commodities and their current spot prices.

U.S. Treasuries

Table with columns: Maturity, Bid, Offer, Yield. Lists various U.S. Treasury securities.

DM Futures Options

Table with columns: Contract, Bid, Offer, Yield. Lists various DM futures options.

S&P 100 Index Options

Table with columns: Contract, Bid, Offer, Yield. Lists various S&P 100 index options.

London Metals

Table with columns: Metal, Bid, Offer, Yield. Lists various metals and their prices in London.

DM Futures Options

Table with columns: Contract, Bid, Offer, Yield. Lists various DM futures options.

S&P 100 Index Options

Table with columns: Contract, Bid, Offer, Yield. Lists various S&P 100 index options.

DM Futures Options

Table with columns: Contract, Bid, Offer, Yield. Lists various DM futures options.

BUSINESS ROUNDUP

Pentagon Delays Toshiba Contracts Amid Inquiry

The Associated Press
WASHINGTON — The Pentagon has begun delaying the award of various contracts involving Toshiba Corp. of Japan pending the outcome of an investigation of alleged illegal sales by one of its subsidiaries to the Soviet Union, military officials said.

In Moscow, meanwhile, the Communist Party newspaper Pravda asserted in its Wednesday edition that a "hostile campaign" in Japan involving the alleged illegal exports of high technology was harming relations between the two countries.

"Intimidation of the Japanese public with the Soviet 'military threat' was and remains for Washington one of the favorite means of drawing Japan into American military preparations," Pravda added.

The Pentagon officials, who spoke on the condition that they not be identified, said Tuesday that the Defense Department would not make any formal moves to suspend Toshiba as a supplier pending completion of the investigation.

"But it's fair to say there's a stall on," one of the defense sources said. "The services are not going to proceed with any major contract awards until we see what happens with this probe."

Robert Sims, the Pentagon's chief spokesman, refused to discuss the matter during a briefing. "We're looking into the Toshiba issue very closely and I have nothing for you on it," he said.

But the sources confirmed reports that the U.S. Air Force had delayed the selection of a contractor to provide \$100 million worth of lap-top computers because Toshiba is a primary bidder.

They said that the U.S. Army was withholding another contract involving a guidance system for a portable anti-aircraft missile that Toshiba originally designed.

The Pentagon first acknowledged in April that the subsidiary — Toshiba Machine Co. — and Kongsberg Vapenfabrik, Norway's state-owned arms manufacturer, were suspected of having shipped to the Soviet Union some Western technology that could be used to make Russian submarines quieter and more difficult to detect.

The shipments allegedly included sophisticated metal-working machines that could be used to fashion an advanced type of submarine propeller.

The police in Tokyo said they suspected that Soviet intelligence was behind the operation, which would contravene an export ban by a Paris-based group set up to monitor exports of strategic goods to Communist countries. The group includes the United States and 14 of its allies, including Japan and Norway.

Toshiba Machine was barred by the Japanese government last month from trading with 14 Communist nations for one year. Two Toshiba Machine employees were arrested last week on suspicion of involvement in the sales.

Mr. Sims said in April that Japan and Norway had promised to cooperate with the United States by starting internal investigations.

Pentagon sources said Tuesday that the British government had become involved in the inquiry following the arrest of a British executive of Kongsberg and that it was helping investigate his ties to the Soviet Union.

Bankers Trust, Exxon in Japan Securities Plan

Reuters
NEW YORK — Bankers Trust New York Corp. and Exxon Corp. intend to apply for authority to establish a securities operation in Japan, Bankers Trust said Wednesday.

It said the transaction would involve Exxon's acquiring a 50 percent interest in Bankers Trust's Hong Kong-based BT Asia Securities Ltd. unit. No terms were disclosed.

Bankers Trust said BT Asia would apply to the Japanese Finance Ministry to open a Tokyo branch, which would engage in underwriting, distribution, trading and brokering of debt and equity securities.

Under Japanese regulations, if a company wishes to open a securities branch but already has a banking unit in Japan, it may apply only through an existing non-Japanese subsidiary that is not majority-owned by a financial institution.

Fujitsu-IBM Dispute Partly Solved

New York Times Service
NEW YORK — Fujitsu Ltd., the Japanese computer giant that has been locked in a dispute with the International Business Machines Corp. over software copyrights, disclosed in a recently filed prospectus that the two companies had resolved some of their disagreements.

The dispute arose nearly two years ago, when IBM accused Fujitsu of violating a 1983 agreement concerning IBM-developed operating systems, the key programs used to run computer systems. An arbitration panel intervened last year to interpret the meaning of the 1983 agreement, and bound both sides to secrecy about their negotiations.

In the prospectus for a warrant bond in London, Fujitsu said that "the parties have resolved some of the issues and have established procedures to resolve presently outstanding disputes with the involvement of members of the panel of arbitrators."

The prospectus did not specify what issues were resolved, or what additional payments, if any, Fujitsu made to IBM. Last year, the

Japanese press carried reports that Fujitsu, which makes IBM-compatible mainframes, was paying millions of dollars every year in penalties for copying IBM software.

Fujitsu also reportedly agreed in 1983 to submit to periodic inspections of software products it developed, and part of the current dispute concerned whether a set of new products were also subject to IBM review.

Fujitsu cautioned in its prospectus that "the company is not in a position to predict with certainty

the outcome of this process," referring to the continuing arbitration on issues not yet resolved, "and its effect on the future results or operations" of the Japanese electronics giant.

In Armonk, New York, Tuesday, an IBM spokesman refused to comment on the Fujitsu prospectus, or say whether any settlement had been reached.

Late last year, Hitachi Ltd. settled a similar dispute with IBM. But the continuing Fujitsu case has long been an embarrassment for the Japanese computer industry.

SAS Reports 170% Increase in First-Half Pretax Profit

Special to the Herald Tribune
STOCKHOLM — Scandinavian Airlines System, the airline owned jointly by private and government interests in Denmark, Norway and Sweden, said Wednesday that its pretax earnings rose 170 percent to 605 million kroner (\$96 million) in the first half of the current fiscal year.

Earnings from airline operations, excluding revenues from the sale of aircraft, nearly doubled to 400 million kroner from 208 million kroner in the first half of fiscal 1985-1986. Including the extraordinary revenues, airline earnings totaled 630 million kroner.

SAS said group revenues totaled 10.9 billion kroner in the first half, up from 9.8 billion kroner a year earlier. The SAS group comprises hotel and catering units and Vinograd, the largest charter tour operator in Scandinavia.

SAS forecast that earnings for all of fiscal 1986-1987 would at least match the previous year's earnings of 1.5 billion kroner despite considerably higher investments in new aircraft.

Although earnings are in line with company goals for long-term profitability, SAS officials said they were pursuing negotiations to integrate the operations of SAS and Belgium's Sabena. SAS officials see cooperation with Sabena as a means of ensuring the survival of the SAS once air traffic is fully deregulated in Europe.

The president of SAS, Jan Carlzon, has told union officials within the company that any final arrangement with Sabena would be in force by Jan. 1, 1988.

For SAS, an arrangement with Sabena would mean access to Brussels airport as a hub for international and European flights that lie within a few hundred kilometers of a population of some 150 million. In all of Scandinavia, SAS has a potential customer base of only 18 million.

Deutsche Bank to Withhold Support for VW Management

Reuters
FRANKFURT — West Germany's biggest bank has said it will withhold support from Volkswagen AG's management at next month's annual meeting because of the VW currency trading scandal, in which the auto company lost as much as \$263 million.

Deutsche Bank AG said Tuesday it would abstain from votes exonerating VW's management and its supervisory board, which represents shareholders and employees, unless an auditor's report either absolves or blames the management and board is published before the July 2 annual meeting.

Some shareholder groups have said that they will vote against management at what promises to be a heated annual meeting. If a majority of shareholders back these groups, the top management of the automaker could be dismissed.

BUSINESS PEOPLE

Leslie Fay Hires Calvin Klein Head

By Arthur Higbee
International Herald Tribune
JOEL H. NEWMAN has left as president of Calvin Klein Industries Inc. to join the Leslie Fay Co. as vice chairman and chief operating officer.

Mr. Newman, 45, has had a steadily rising career from its beginning in the finance department of Bloomingdale's. At Leslie Fay, he will have responsibility for planning, operations, personnel and finance, the company said.

Leslie Fay, a New York-based clothing maker, made some changes to accommodate Mr. Newman.

The New York Times reports Alan Golub, who had been vice chairman, becomes president and will continue to head Leslie Fay sportswear companies.

Mr. Golub succeeds John J. Pomerantz as president. Mr. Pomerantz remains as chairman and chief executive.

Leslie Fay has been searching for a new executive since Walter Leiter resigned in December as president and chief financial officer.

"Joel Newman did a fine job at Calvin Klein Industries," said Mr. Klein, 44, vice chairman and co-owner. "We will all miss him."

Mr. Newman joined Calvin Klein in 1984 as executive vice president and was named president in 1985. Before that, he was with the Batus retail division of BAT Industries and as such was president of a Batus unit, Kohl's Department Stores. He also helped engineer the 1982 purchase of Marshall Field & Co. for Batus.

Ginzel & Co. Ltd., the London brokerage that is a subsidiary of MAI International of London, has recruited John L. Langton as chief of European operations. As managing director in London, Mr. Langton, 38, replaces Bonnie D. Straus, 34, who is returning to Ginleco Inc. in New York as a vice president.

Author of Book On Getting Rich Goes Bankrupt

Los Angeles Times Service
LOS ANGELES — Albert J. Lowry, author of the best-selling book "How You Can Become Financially Independent by Investing in Real Estate," has filed under Chapter 7 of the U.S. Bankruptcy Code.

Mr. Lowry made a fortune writing and lecturing on how to get rich in real estate. In 1981, Money magazine estimated his net worth at \$30 million.

Unlike a Chapter 11 filing, which shelters a company from creditors while it tries to reorganize, Chapter 7 means that a trustee liquidates assets, with proceeds going to creditors.

Mr. Lowry, 60, a former butcher, acknowledged earlier this year that he lost millions of dollars on real estate in the California-Nevada resort area. He blamed strict development laws there.

Newsweek Inc., a subsidiary of The Washington Post Co., has promoted two senior journalists of its Newsweek International magazine, the editor, Kenneth Auchincloss, 49, announced. Tracy Dahlby, 37, moves up to the new post of managing editor and Alexis Crabbe, 34, to a new second executive editorship. Newsweek International's other executive editor, Richard Steele, 46, will return in November from a six-month leave.

Newsweek International also promoted Francois Verglas, 43, vice president and publisher of Newsweek Latin America, to vice president for operations of Newsweek International; also a new

COMPANY NOTES

Caesars World Inc. shareholders would receive a 30 percent stake in the Los Angeles company under the latest takeover offer by the New York investor Martin Sosloff, which is worth \$35 a share, or about \$1.11 billion. The offer slightly exceeds a recapitalization plan designed to block the takeover.

Floating Point Systems Inc., a maker of high-speed computers, said it would lay off 400 people starting June 15, in Beaverton, Oregon, and at its plant in Ireland.

NBC has been given until the end of this month by Harz Mountain Industries to decide if it wants to move its headquarters and production studios to a site Harz owns in Secaucus, New Jersey. NBC also is considering renovating its space in Rockefeller Center in New York, where the lease expires in 1997, or moving to a development on the Upper West Side of Manhattan.

Philips Singapore Pte., a unit of the Dutch electronics company, will expand its operations in the next two years to make irons now produced in the Netherlands. It also will take over production of television sets that Philips Taiwan Ltd. makes for the U.S. market.

United Newspapers PLC now holds 41.76 percent of the news agency and publisher Eitel Corp. PLC and has extended until June 8 its offer to take over Eitel, according to a statement from the merchant banking firm of Samuel Montagu & Co. The offer of 103 United shares per 100 Eitel shares, with a cash alternative of 481 pence a share, is being resisted by Eitel.

TO THE NOTE HOLDERS OF
EXPORT DEVELOPMENT CORPORATION
 U.S. \$150,000,000
 99% NOTES DUE SEPTEMBER 1, 1984 SERIES KU

NOTICE IS HEREBY GIVEN THAT WITH EFFECT FROM MAY 31ST, 1987, BANK OF MONTREAL FRANKFURT BRANCH, WEST GERMANY WILL CEASE ACTING AS A PAYING AGENT IN RESPECT OF THE ABOVE MENTIONED ISSUE. HOLDERS OF MATURING BONDS AND COUPONS SHOULD PRESENT SAID ITEMS TO ONE OF THE OTHER PAYING AGENTS AS LISTED ON THE COUPON.

Petromin

TENDER NOTICE

Preliminary to the invitation of international qualified bids, the General Petroleum & Mineral Organization, "PETROMIN", invites manufacturers of chemical additives to submit prequalification applications to provide PETROMIN's subsidiaries and factories with quantities required for the blending of about one million barrels of Lubricants and Greases for use by petrol, diesel, and marine engines as well as other industrial machinery. All materials supplied should conform to international standards and specifications.

Conditions for Prequalification:

THE PREQUALIFYING COMPANY SHOULD:

1. Be the original manufacturers of the chemical additives.
2. Have research and development facilities and capability in the field of processing chemical additives to cope with the developing international qualifications.
3. Present proof of his experience and evidence of his activities in this field during the last five years as a minimum.
4. Undertake to carry out at his expense, in co-ordination with PETROMIN, performance tests using PETROMIN's base stocks of "LUBREF" and submit the required certificates testifying that they conform to international qualifications such as those of the American Petroleum Institute. They should also obtain, in co-ordination with Petromin, attestation certificates from manufacturers of machinery as to the high quality of the various Lubricants and Greases.
5. Initially undertake to submit proposed chemical formulations up to the level of the required performance and also the results of quality performance tests using base stocks similar to LUBREF's Lubricants as shown by computer simulations.
6. Undertake to provide after-sale services in connection with improving the standard and level of performance of the Lubricants to cope with developments in this field.
7. Submit a copy of their constituting by-laws and a statement of their financial position for the last two years.
8. Should not be boycotted according to Saudi Regulations.

All prequalification applications should be submitted to the General Petroleum & Mineral Organization, "PETROMIN", Riyadh 11189, Kingdom of Saudi Arabia, Fax No. 4792849, Telex No. 401058 S.J. (401490) - (402802) - (401615) S.J. in sealed envelopes addressed as follows:

"Prequalification for Supply of Chemical Additives"
 Attention: Legal Advisor / Faisal Al-Jarba
 All enquires should also be sent to the same address.

The last date for submitting applications is Saturday the 1st of Dhul Quida corresponding to 27/6/1987.

Only companies and organizations qualified in accordance with the above conditions will be invited to tender.

le mut de Cartier

Cartier
 VENDÔME

PEARL TIPPED LUXURY SLIM CIGARETTES.

Handwritten signature or mark at the bottom center of the page.

Wednesdays AMEX Closing

Tables include the nationwide prices... to the closing on Wall Street...

Table with columns: High, Low, Stock, Div, Yld, PE, etc. Lists various stocks and their prices.

Table with columns: High, Low, Stock, Div, Yld, PE, etc. Lists various stocks and their prices.

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Supercomputer power for scientific and engineering calculations. AMETEK logo and address: Paoli, Pennsylvania 19301.

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Floating-Rate Notes

Table listing floating-rate notes with columns: Issuer/Note, Coupon, Next Bid, Ask, and dates.

Pounds Sterling

Table listing Pounds Sterling notes with columns: Issuer/Note, Coupon, Next Bid, Ask, and dates.

Deutsche Marks

Table listing Deutsche Marks notes with columns: Issuer/Note, Coupon, Next Bid, Ask, and dates.

Japanese Yen

Table listing Japanese Yen notes with columns: Issuer/Note, Coupon, Next Bid, Ask, and dates.

Weekly net asset value

Tokyo Pacific Holdings N.V. on June 1, 1987: U.S. \$208.58

Listed on the Amsterdam Stock Exchange

Information: Pierson, Heiding & Pierson N.V., Herengracht 214, 1016 B.V. Amsterdam.

E.C.U.

Table listing E.C.U. notes with columns: Issuer/Note, Coupon, Next Bid, Ask, and dates.

Source: Credit Suisse-First Boston Ltd., London

Reaching More Than a Third of a Million Readers in 164 Countries Around the World. Herald Tribune logo.

Vertical advertisement on the right edge of the page, partially cut off.

Dollar Steadies but Dealers Are Wary

LONDON — The dollar steadied Wednesday after its nosedive the previous day, helped slightly by late European trading...

London Dollar Rates table with columns for currency, bid, and ask prices.

by the U.S. Treasury secretary, James A. Baker 3d that he foresaw no change in U.S. monetary policy under Alan Greenspan...

and analysts fear that his close ties to the Republican Party may make him less willing than his Democratic predecessor might have been to take a hard line against inflation...

Greenspan Sees No Recession Before '88 Vote

NEW YORK — Alan Greenspan, nominated Tuesday to succeed Paul A. Volcker as Federal Reserve chairman...

VOLCKER: A Crisis Manager Who Tamed Inflation, Aweed World Markets

(Continued from first finance page) New York, and Alan Greenspan, the man named Tuesday to succeed Mr. Volcker...

ing Mr. Carter's re-election because of the Fed's anti-inflation policy and the short recession in 1980, an election year.

FED: Greenspan Arrives at Crucial Time With Faith in the Free Market

(Continued from Page 1) The Volcker departure as endangering the integrity of the financial system and increasing the dangers to the world economy.

Mr. Greenspan — who once said, "All reform begins in academia" — is not a doctrinaire monetarist, or a doctrinaire anything else, except at a high philosophical level...

over whether the dollar should be defended or allowed to slide. In recent months Mr. Volcker and Mr. Baker appear to have reached common ground in defending the dollar roughly where it is, in part by Federal Reserve intervention in the currency markets.

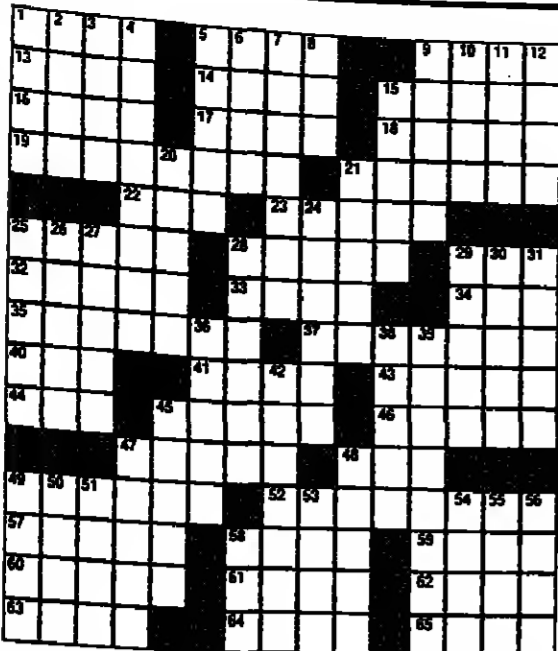
defense of the dollar would give way to a more free-market approach under Mr. Greenspan.

CHRONOLOGY: Volcker Saw Reagan's Silence as Lack of Enthusiasm

(Continued from first finance page) Nonetheless, as Mr. Volcker went off on a four-day fishing trip to ponder what to do, White House officials say, they were convinced that he would reconsider.

"I want to make it very clear that the president would have been very, very pleased had the chairman's decision been otherwise," Mr. James Baker said Tuesday.

Large financial table with multiple columns for stock prices, market indices, and company data. Includes a 'Wednesday's OTC Prices' section.



ACROSS
1 Interstices
5 Guffaw
9 Neil Simon
13 Beginning of a
14 Script
15 Any or some
16 Dippy or dotty
17 Acarid
18 Minor Prophet
19 Feature for a
21 Feature for the
22 Rickles
23 A Titan
24 A First Lady's
41 Old English
43 Lascivious
44 Kind of curve
45 Plainiffs
46 Have...for
47 noir
48 Apocrypha
49 Feature for a
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57 Parting word
58 II
59 Adjunct
60 Relative of a
61 Cupid, to Plato
62 Ready and
63 Chetral
64 Cousin of
65 Pts. of time
66 Part of a
67 Mule
68 Poat
69 Part of a
70 Rock snacks
71 Andersen
72 Fact falsifiers
73 Sound system
74 Girl in a pool
75 Rock sources
76 Change the
77 Like a teen-
78 Disreputable
79 Carryalls
80 President and
81 Former
82 Kind of
83 Excuses
84 Throw out
85 Step
86 Utopia
87 Author of 'The
88 Rep. of
89 Item to reverse
90 Get one's goat
91 Of a Pindar
92 Snare
93 Indonesia
94 before 1949

PEANUTS



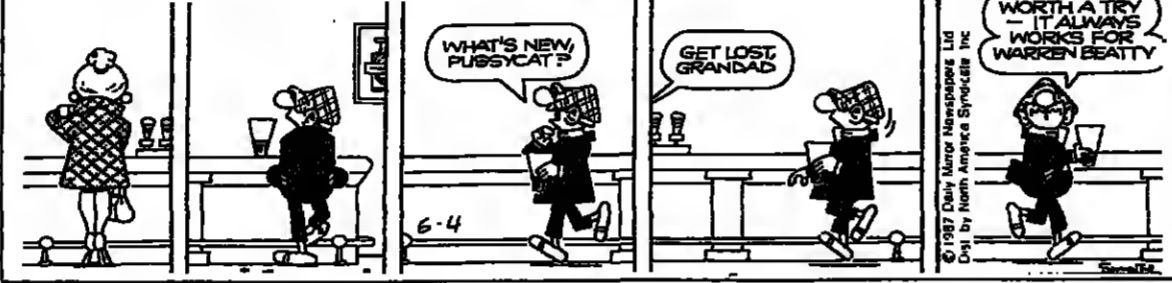
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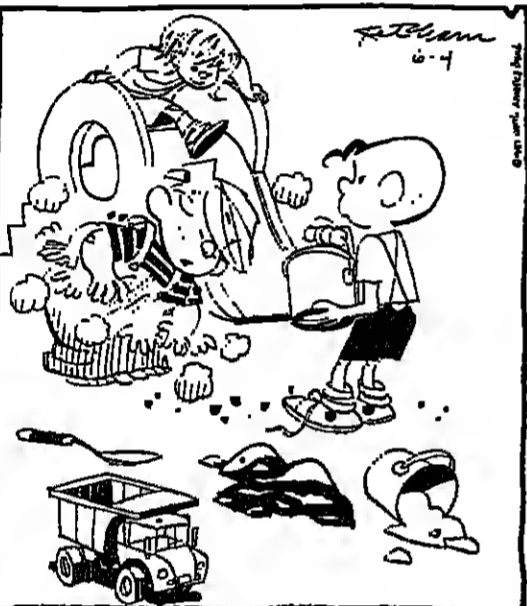
REX MORGAN



GARFIELD



DENNIS THE MENACE



JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.
LESQO
CASHO
ATRYN
SIPCLE

WEATHER

Table with columns for Europe, Asia, Africa, Latin America, North America, Middle East, and Oceania, listing high and low temperatures for various cities.

World Stock Markets

Table showing closing prices in local currencies for various stock markets including Amsterdam, London, Frankfurt, Zurich, and others.

BOOKS

THE PARIS EDITION: The Autobiography of Waverley Root 1927-1934.

Edited and with an introduction by Samuel Abt. 208 pages. \$16.95. North Point Press, 850 Talbot Avenue, Berkeley, Calif. 94706.

Reviewed by John Gross

In addition to being a renowned authority on food, Waverley Root was one of the more distinguished American foreign correspondents of his time. Much of the greater part of his career was spent in Paris, where he eventually became dean of the foreign press corps. He had first arrived in the city in 1927, planning to stay there for a few weeks; then, when he ran out of cash, he managed to land a job on the Paris edition of The Chicago Tribune, and the dice were cast.

There were three American papers published in Paris at that time: The Tribune, The Paris Herald (European edition of the New York Herald Tribune) and The Paris Times. The Tribune was the liveliest of the three, in large part because it was the only one that reflected the world of artists and writers, what Root called the "minisociety" of Montparnasse.

It was also the one that paid the lowest wages. But working for it was an adventure, and Root stayed on — eventually becoming news editor — until it was taken over and swallowed up by The Paris Herald in 1934.

At first glance, it is true, you may have the feeling that you are traversing familiar territory. Paris in the '20s, the Paris of American expatriates, is not exactly a neglected subject, and here they all are — Hemingway, Gertrude Stein, Harold Stearns, Robert McAlmon, the same old beautiful chorus girls.

Closer inspection, however, reveals that Root's angle of vision is far more journalistic than literary, which makes it rather different — refreshingly different — from that of most other memoirs of the period. He often saw Hemingway around the place, for instance, but he didn't know him — "or more precisely, I knew Hemingway, but he didn't know me," and looking back, he is surprised at how many other people he didn't know, given the number of literary controversies he was involved with in the columns of The Tribune.

In a small interlocking society like Montparnasse, it didn't matter all that much. As he says, "When you knew everything about somebody else, or thought you did, the question of whether you had actually met him became insignificant."

Well, relatively insignificant; and Root, who founded and ran the book page of The Tribune, does in fact have some good firsthand stories to tell about the Left Bank literati. But, even then it is usually about literati who doubled as newspapermen — Henry Miller, working briefly as one of The Tribune's proofreaders; Harold Stearns, who progressed in a few short years from thundering against American materialism in "Civilization in the United States" to supplying Tribune readers with raucous tips under the pseudonym of "Peter Picken."

When he comes to reminisce about journalists proper, Root's tone is agreeably gruff. He doesn't let nostalgia blind him to the limitations of men like The Tribune's city editor, who usually managed to reach the office in time to go out to lunch, or Henry Miller's fellow proofreader, Wambly Bald, who also wrote a column about Montparnasse called "La Vie de Bohème." A recent historian called described Bald as "the Boswell of the Lost Generation," but Root disagrees: "In my opinion," he writes, "Walter Winchell of the Lost Generation" would have been more like it.

Towering over the whole Tribune enterprise, all 6 feet 4 of him, was the proprietor, Colonel Robert Rutherford McCormick. Normally, Root tells us, the staff of the Paris edition feared neither man nor God; but even they "cringed before the colonel, who partook of the nature of a god."

Yet someone though McCormick could be an irresistible hilarity crows into Root's style whenever he writes about him. In part this is because the colonel only descended on Paris at occasional intervals; usually he was a long way away, in Chicago. But there was also something peculiarly dotty about his autocratic whims, of which Root gives numerous examples; and even his sternest critic surely has to smile at the man who once announced, "All the McCormicks are crazy except me," and then turned to the head of his Washington bureau and added, "You wouldn't agree with that, would you, Walter?"

John Gross is on the staff of The New York Times.

BRIDGE

By Alan Truscott

A MAJOR element in a slam bidding theory concerns the strength of the suit. When two or three possible trump suits are available, the one with the queen and the jack, or at least one of those cards, should be selected.

Consider the options for North-South on the diagrammed deal from the recent Spring Nationals in St. Louis. Six trump is usually right when there is an eight-card fit, but would be poor here; the declarator would need to run the heart suit, a 27 percent chance.

Six hearts is much better; it will make if the hearts pick up, or if West has the spade ace in a position to be ruffed out, a 63 percent chance. The 4-3 club suit, lacking the queen, and the jack is not worth considering.

But what about six diamonds? This is much more difficult to calculate, but with all the honors the chance of a trump loser is excellent: 84 percent. Without using subtle cards, South can reasonably expect to score five heart tricks, two club tricks, four trump winners and one spade ruff.

Playing in the Men's Swiss Teams, North-South reached six diamonds as shown. It is very seldom right to play in the fourth suit, to be mentioned, but this was one of the exceptions.

South won the opening trump lead in his hand and led a heart to the jack. This seems to do the job, for once East has taken the queen, South cannot be prevented from taking one spade ruff, drawing trumps and taking 12 tricks.

Unfortunately for South, the East player was John Lowenthal of Manhattan, a brilliant and imaginative defender. He refused to take the heart queen, and the slam suddenly became unmakeable. South had to hope for a favorable break in one of the red suits or for West to hold the spade ace. With the actual distribution, South was helpless at this point, but he had sidestepped a trump loser is excellent: 84 percent. Without using subtle cards, South can reasonably expect to score five heart

The winning plan is far from obvious: win the trump lead in the closed hand; ruff a low spade with the trump ace and lead the heart jack. This gives up the heart finesse but guarantees the contract barring a terrible break somewhere. If East takes the heart jack, South will draw trumps and claim the slam. If East refuses to win, South again draws trumps and surrenders a spade trick to the ace for 12 tricks.

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Q899
Q900

South
KQJ82
V5
KQJ89
K84

Both sides were vulnerable. The bidding:
North East South West
1V Pass 1S Pass
2C Pass 3C Pass
3S Pass 4S Pass
4S Pass 5S Pass
5S Pass 6S Pass

West led the diamond four.

akers D. 26-113

SCOREBO

Scoreboard section with various columns and numbers.

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SPORTS

Lakers Dazzle Celts, 126-113, in Opener

By Roy S. Johnson
New York Times Service
INGLEWOOD, California — They had been the best team in the National Basketball League's regular season, which started more than seven months ago, and they have dominated in the playoffs. Nothing changed Tuesday night.
The Los Angeles Lakers won the opening game of the NBA's championship series, defeating the hobbled and tired Boston Celtics, 126-113, before a raucous sellout crowd at the Forum.
Game 2 will be played here Thursday night, with the next three



With a firm grip on Robert Parish, Magic Johnson and James Worthy (42) excelled as the Lakers throttled Boston.

What has made the Lakers so successful this season is that they have also added an able half-court game to their running attack; when teams force them into a slow-down game, they don't lose their effectiveness.
That was apparent after the start of the second period, when they watched the Celtics' efforts to affect the pace of the game. When Worthy's team made the inopportune mistake of a 3-point play, Los Angeles had widened its lead to 42-30. That ignited another explosion: The Lakers scored 9 straight points to build their biggest lead of the half, 51-30.
Worthy, as he has been throughout the playoffs, was unmatchable. Quick, savvy and skillful, he handled four defenders in the first half. He scored 23 points, converting 11 of his 13 field-goal attempts.
Johnson was also too much for the Celtics. He scored 11 of his 17 first-half points in the first period and he also finished the half with eight assists and five rebounds.
The only effective Celtic was Bird, who scored 10 of Boston's final 12 points of the half. But that was only enough to make it interesting: Boston trailed, 69-54.
Most surprisingly, the Lakers were overwhelming the taller Celtics under the boards. They built a 27-12 margin in that category.
It was little wonder Los Angeles led again by as many as 21 points, at 81-60, before Boston made its most effective comeback effort to that point: With Danny Ainge hitting three 3-pointers and Bird continuing his shooting spree — the last 14 points in the third period, most by a long-range jumper — the Celtics sliced the deficit to 95-83 with just under two minutes left in the period.
But it was Worthy and Johnson again who quashed the rally. They combined for 17 points in the third quarter (including the period's final 6 points) to give the Lakers a 101-85 cushion going into the final 12 minutes.
"I was disappointed in our effort," said Bird. "We didn't get rebounds, we didn't get back on defense and we let them make layups. This isn't Detroit or Atlanta we're playing."

contest scheduled for Boston Garden, where the defending champions Celtics have won 93 of their last 96 games.
Inspired by two of the league's most powerful weapons, Magic Johnson and Ervin (Magic) Johnson, the Lakers turned the opener into a slaughter. They broke to a 9-0 lead, never trailed and led by as many as 21 points in each half.
Boston pulled to within 103-90 on an offensive rebound basket by Kevin McHale 3:24 into the fourth quarter, but the Lakers went on an 11-1 tear in just under three minutes, building a 114-91 lead and forcing Boston's coach, K.C. Jones, to concede.
"Whatever you saw there was totally spectacular," Jones said of the Lakers. "It took both teams some time to get started, but that was when Magic and James said: 'Enough of this. Let's get out and run and get this thing over with.' After that it was a romp."

NBA FINALS: GAME 1

Table with columns for Team, Points, Rebounds, Assists, Steals, Blocks, and Fouls. Shows Lakers leading Celtics 126-113.

Scoreboard

Scoreboard section containing results for Basketball (NBA Title Series), Tuesday's Line Scores, and Golf (PGA Leaders).

Transition

Baseball: California - David Green, pitcher, replaced by Steve Harvey, pitcher, to Edmundo of the Pacific Coast League.
New York - Activated Claudio Vialini, pitcher, from the 15-day disabled list.
Seattle - Signed Ken Griffey Jr. outfielder.
Texas - Called up Mike Stovall, catcher, from Oklahoma City of the American Association.
Toronto - Signed Jimmy Rollins, pitcher, to a one-year contract.
Montreal - Activated Tom Foley, infielder, from the 15-day disabled list.
Cincinnati - Announced the retirement of Ken Anderson, quarterback.
LA Raiders - Announced the retirement of Roy Ottensmeyer.

Dawson Awesome as Cubs Blow Past the Astros, 13-2

Compiled by Our Staff From Dispatches
CHICAGO — Mike Mason, obtaining by the Cubs last month from the Texas Rangers, is the latest Chicago pitcher to delight in the advantages of playing with Andre Dawson.
Mason benefited from Dawson's second straight explosive performance and pitched a three-inning Chicago 13-2 rout of Houston.
"Never seen anybody as dominating offensively as Andre Dawson," said Mason, who played with Dawson here at Texas.
Dawson hit two home runs in a game for the second consecutive day, going 4-for-5 and driving in seven runs. He singled in a run in the first inning, hit a two-run homer in the third off Nolan Ryan, a two-run triple in the fifth and a two-run homer in the seventh.
In two games against the Astros, Dawson went 6-for-10 with four home runs and 12 RBIs. "I don't even know how to describe it," said Gene Michael, Chicago's manager. "Nobody ever does that."
A former Montreal Expo who signed with the Cubs as a free agent in the spring, Dawson — with 53 RBIs and 18 homers — is regaining his place among the dominant players in the National League.
"I'm having fun," he said, "and I want it to continue that way."
Pirates 4, Braves 1: In Atlanta, Rick Reuschel beat

Becker, Wilander, Mecir Advance Easily

The Associated Press
PARIS — Boris Becker, Mats Wilander and Miloslav Mecir advanced to the semifinals of the French Open tennis tournament Wednesday with straight-set victories.
Becker, the second-seeded West German, ousted American Jimmy Connors, 6-3, 6-3, 7-5. In his first semifinal of the clay-court grand slam tournament, Becker will meet Sweden's Wilander, the two-time French champion and No. 4 seed who overpowered the remaining French hope, sixth-seeded Yannick Noah, 6-4, 6-3, 6-2.
Mecir, the fifth-seeded Czechoslovak, looked just as strong after a shaky resumption of the match against his unseeded compatriot, Karel Novacek, winning by 7-6, 6-1, 6-2. Mecir will play top-seeded Ivan Lendl, the defending men's champion, in Friday's semifinals.
The women's semifinals on Thursday will be a contrast in age. Second-seeded Steffi Graf of West Germany and seventh-seeded Gabriela Sabatini of Argentina, both 17, will meet in one; the other will pit the defending champion Chris Evert, 32, and the 30-year-old top seed, Martina Navratilova.
Becker, 19, has won Wimbledon the last two years but never a clay-court tournament. So far in the French Open, where he is seeded second to Lendl, he has shown few pointers, staying on the baseline longer instead of repeatedly charging the net.
"His didn't make errors," Connors said. "He kept balls in play when he had to. He wasn't standing still — he was getting his exercise."
Said Becker: "I played almost perfect in the first two sets."
Becker jumped on top, breaking Connors in the second and fourth games of the first set. Playing steadily from the backcourt, he broke for a 2-1 lead in the second set. He held for 5-3, and broke for the set as Connors made three straight errors after leading, 30-15.
Connors had a chance for a break point in the sixth game, chasing down Becker from side to side at 40-40. Becker sent a backhand into the corner and appeared stretched to get to the ball. He lobbed, but woefully short, and Becker crunched an overhead en route to holding for 4-2.
"I had my opportunities, but let them pass," said Connors. "You can't do that against these guys."
The third set began with Becker coming to the net, and that change of strategy produced the best points of the match.
At 40-30, Becker serving, there was a rapid exchange of volleys, with Connors getting the point when Becker missed a dropshot. The two then stood at the net and slapped hands.
After Becker had gained game point, Connors forced deuce with a running forehand volley that fooled Becker, who was on the clay after tumbling to make his previous shot; Connors had to scramble for his knees to get the winner away. But Becker saved the game for 1-0.
The two exchanged breaks in the seventh and eighth games. Connors held for 5-5, but Becker held in the 11th game on two ripping shots and two errors. In the 12th, Connors saved two match points, but Becker won when Connors hit a backhand loop.
Wilander silenced the capacity center court crowd by dominating Noah, the winner here in 1983, through the first two sets.
Noah steadied at the start of the third, going up 2-1 on serve. But Wilander, the French idol in 1982 and 1985, broke in the fifth and seventh games for a 5-2 lead.
Noah had a 30-15 lead on Wilander's serve in the seventh game but then netted a backhand long and sent another backhand long, and Wilander won with a backhand volley behind a strong first serve.
Mecir had held a 4-2 first-set

Favorite, Cautchen Win Epsom Derby

The Associated Press
EPSOM, England — Reference Point, the 6-to-4 favorite ridden by U.S. jockey Steve Cautchen, was the wire-to-wire winner of the £450,000 (374,000) English Derby here Wednesday.
Reference Point was timed in 2 minutes, 33.9 seconds — one-tenth of a second slower than the hand-timed record set by Mahmood in 1936 for the 1 1/2-mile (2,413-meter) race. Reference Point held off Most Welcome by a length and a half; it was another three-quarters of a length back to Bellavo.
The three-year-old son of Mill Reef, the 1971 winner, was pressed by Most Welcome in the final furlong, but picked up the pace to give Cautchen his second victory in the English season's premier race. The Kentucky-born rider won aboard Slip Anchor two years ago.
Most Welcome, a 33-to-1 shot, was ridden by Paul Eddery, whose brother Pat was aboard the 11-to-1 Bellavo.
Trained in England by Henry Cecil, Reference Point — who two months ago had an operation to correct a sinus condition — hit the front at the break. Irish-trained, Epsom and French-trained Saddjyd, rated as the prime challengers, failed to respond as the favorite set and maintained a blistering pace.
Cautchen said he had to work to keep Reference Point's attention during the 20th running of the race. "He's a great horse," he said, "but you have to keep at him because he's aware of everything going on around him. He was even looking at the crowd at the top of the hill." (UPI/AP)

Baseball Roundup

PHILIES 7, GIANTS 6: In San Francisco, a three-run homer by Lance Parrish capped a five-run fifth, and Chris James contributed three RBIs to spark Philadelphia.
BREWERS 14, ROYALS 3: In the American League, in Milwaukee, Glenn Briggs had two two-run singles to pace a 15-hit attack that brought the Brewers their fourth straight triumph. Rookie Chuck Crim, making his first major-league start, allowed six hits, struck out two and walked none through six innings to pick up the victory.
RED SOX 6, TWINS 5: In Boston, Bill Buckner's two-run single with two out in the ninth scored Wade Boggs from third and Mike Greenwell from second, rallying the Red Sox. Minnesota starter Juan Berenguer tied a franchise record by walking nine batters, three with the bases loaded, in his 3 1/2 innings.
WHITE SOX 15, RANGERS 5: In Arlington, Texas, Greg Walker drove in five runs with a grand slam home run and a single to highlight Chicago's rout of Texas. Walker is

Baseball Roundup (Continued)

second straight game to help the Orioles end a four-game skid. Oakland rookie Luis Polonia won 0-for-4, ending a 17-game hitting streak.
Blue Jays 4, Mariners 3: In Toronto, George Bell homered to spark a four-run second, and robbed Seattle's Scott Bradley of a three-run homer with a leaping catch in the seventh.
After a first-inning collision, Atlanta catcher Bruce Benedict got the good news: Pirate baserunner Johnny Ray was out at home.
15-for-27, with 11 RBIs, in his last seven games.
Yankees 3, Angels 2: In New York, Mike Pagliarulo's eighth-inning homer into the upper deck in right field sent California to its 10th loss in 11 games.
Orioles 9, A's 2: In Baltimore, Terry Kennedy and Larry Sheets hit back-to-back home runs for the sec-

Baseball Roundup (Continued)

Table with columns for Team, W, L, Pct., and Runs. Lists results for various MLB teams.

Tennis

French Open
MEN
QUARTERFINALS
Miloslav Mecir (1), Czechoslovakia, def. Karel Novacek, Czechoslovakia, 6-3, 6-1, 6-1 (completion of a match suspended Tuesday by rain).
Boris Becker (1), West Germany, def. Jimmy Connors (1), U.S., 6-3, 6-3, 7-5.
Mats Wilander (1), Sweden, def. Yannick Noah (1), France, 6-4, 6-3, 6-2.

Major League Standings

Table showing Major League Standings for American League and National League, including East and West Divisions.

INTERNATIONAL CLASSIFIED
(Continued From Back Page)
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ART BUCHWALD

Hamlet Goes to Court

WASHINGTON — I met a lawyer at a party the other day who looked familiar. "Don't I know you?" I asked him. "Maybe you saw me on Channel 4 when I defended Alfredo Portman for inside trading on Wall Street. I had a 4.3 TV rating the day the verdict came in."



"No, I missed that one." "I arbitrated a holy war between three fundamentalist preachers from South Carolina, Jerry Falwell and the Ayatollah Khomeini."

"What kind of law work do you do?" "I practice legal theater."

Windsor Car Up for Sale

"The trick of legal theater is to always act yourself before taking a case. Can this client cut the mustard on the Phil Donahue Show?"

"Did you write that yourself?" "No, I saw it on 'People's Court.'"

The Art of Snaring Guests for Talk Shows

By Joanne Kaufman New York Times Service



HERE is a brief list of what people have done in an attempt to be booked on NBC's "Tonight Show": Sent flowers, T-shirts, handmade Johnny Carson dolls and money (it was returned).

Bookers trying to win them all: above, Marie MacLean of "Nightline"; top right, Emily Boxer of the "Today Show"; and Gail Yancosek of "Live at Five."

By the day's headlines: she is looking for experts who, at 11:30 P.M., will be able to analyze stories that broke at, say, 4 P.M.

"We've lost people to ABC and CBS," says Emily Boxer of "The Today Show."

won't come on unless the director or writer comes on, too. So, we'll have them on." But, says Friedman, "we don't offer caviar."

"Sometimes, people will say they won't talk about their divorce and we certainly respect that," says Shirley Wood of "The Tonight Show."

Bookings can also spark political imbroglios. "We've done shows on Iran and Iraq," says "Nightline's" Heather Vincent.

Logistics frequently present a bigger problem for bookers than the vagaries of guests. If there's a key vote on the floor of the House, a Congressman may be loath to break away for a segment on "MacNeil-Lehrer."

It isn't enough simply to locate a guest who's willing to adjust takeoffs and landings to the needs of a TV program, to come up with the individual who is the indispensible expert on Sri Lanka or to pin down the movie star who's just written a tell-all autobiography.

A booker's nightmare is discovering that the guest who was so entertaining during the pre-show chat, who was so articulate and knowledgeable and passionate on the phone, becomes tongue-tied in front of the camera.

"Sometimes a star you're interested in having on will say, 'I

Double Bed Shipped To Venice for Reagans

A double bed is being transported from Portugal to Venice for use by President Ronald Reagan and his wife Nancy during their stay in Italy. Mrs. Reagan's spokeswoman said Tuesday.

Meryl Streep is to play Lindy Chamberlain in a film about Australia's "dingo murders" to be presented at next year's Cannes Film Festival, a film company spokesman said Wednesday in Sydney.

A member of the gang that stole \$26.3 million (now about \$46 million) worth of gold bars in Britain's biggest robbery was married in prison Tuesday. Michael McAwoy, 35, is serving a 25-year sentence at Leicester Prison for his part in the Nov. 26, 1983, robbery of a Brink's Mat warehouse in London's Heathrow Airport.

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